Schroder
UK Mid Cap Fund plc

Report and Accounts for the year ended 30 September 2013

INVESTMENT WEEK
INVESTMENT COMPANY OF THE YEAR AWARDS 2013
WINNER
UK GROWTH

Schroders

Investment Objective

The Company's investment objective is to invest in Mid Cap equities with the aim of providing a total return in excess of the FTSE 250 (ex-Investment Companies) Index.

Directors

Peter Timms (Chairman)
Peter Timms, CBE, was appointed a non-executive Director of the Company in 1989 and Chairman in 2000. He is chairman and managing director of Flexible Technology Ltd, and is chairman of SETG Ltd, and is a Director of the Mount Stuart Trust.

Rachel Beagles
Rachel Beagles was appointed a non-executive Director of the Company in 2006. From 1990 until 2003, she worked in financial markets, primarily in equity research and sales. She was co-head of the Pan European Banks Equity Research and Sales Team and a Managing Director of Corporate and Investment Banking Group Division at Deutsche Bank AG from 2000 to 2003. She is a non-executive director of Crown Place VCT plc, Securities Trust of Scotland plc, BlackRock Emerging Europe plc and New India Investment Trust plc. She is also Chair of NewlonBuild Ltd.

Clare Dobie
Clare Dobie was appointed a non-executive Director of the Company in 2013. She is a non-executive director of F&C Capital and Income Trust plc and Aberdeen New Thai Investment Trust PLC and a trustee of Essex and Herts Air Ambulance Trust. She is also a director of Braxted Marketing Measures, a marketing and client service consultancy, having previously held senior positions in the asset management industry at Barclays Global Investors and GAM. She began her career as a financial journalist, working at The Times and The Independent, where she was City Editor.

Eric Sanderson
Eric Sanderson was appointed a non-executive Director of the Company in 2011. He is a Chartered Accountant and a Banker and was Chief Executive of British Linen Bank from 1989 to 1997 and a member of the Management Board of Bank of Scotland in his role as Head of Group Treasury Operations from 1997 to 1999. He was also formerly Chairman of MyTravel Group PLC and of Dunedin Fund Managers Limited and has held a number of non-executive Board positions. He is Chairman of the Court of The University of Dundee and a non-executive director of BlackRock Greater Europe Investment Trust plc. Until recently he was Chairman of MWB Group Holdings PLC.

Robert Rickman
Robert Rickman was appointed a non-executive Director of the Company in 2011. He is a founding partner of the Rockley Group, making and managing technology based investments worldwide and particularly in China. He is an independent non-executive director of LSE listed Carclo plc and AIM-listed Cambium Global Timberlands Ltd. From 2001 until 2007 he was a Director and latterly Chairman of the AIM-listed Highland Timber PLC.
Mr Rickman was a director of telecoms and datacoms equipment manufacturer Bookham Technology PLC from 1994 to 2004, during which time the company was listed on the LSE and NASDAQ. He is currently chairman of the property and finance committee of Modern Art Oxford.

All Directors are members of the Audit, Management Engagement and Nomination Committees.

Mrs Beagles is chair of the Audit Committee; Mr Timms is chairman of the Management Engagement and Nomination Committees.

Advisers

Secretary and Investment Manager
Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA
Telephone: 020 7658 6501

Registered Office
33 Bothwell Street
Glasgow G2 6NL

Custodian
JP Morgan Chase Bank, N.A.
1 Chaseside
Bournemouth
Dorset BH7 7DA

Independent Auditor
Ernst & Young LLP
1 More London Place
London SE1 2AF

Corporate Brokers
Panmure Gordon & Co
1 New Change
London EC4M 9AF

Registrar
Equiniti Limited
Aspect House, Spencer Road
Lancing
West Sussex BN99 6DA
Shareholder Helpline: 0800 032 0641*
Website: www.shareview.co.uk
*Calls to this number are free of charge from UK landlines.

Lending Bank
Scotiabank Europe PLC
201 Bishopsgate
6th Floor
London EC2M 3NS

Solicitors
Tods Murray LLP
33 Bothwell Street
Glasgow G2 6NL

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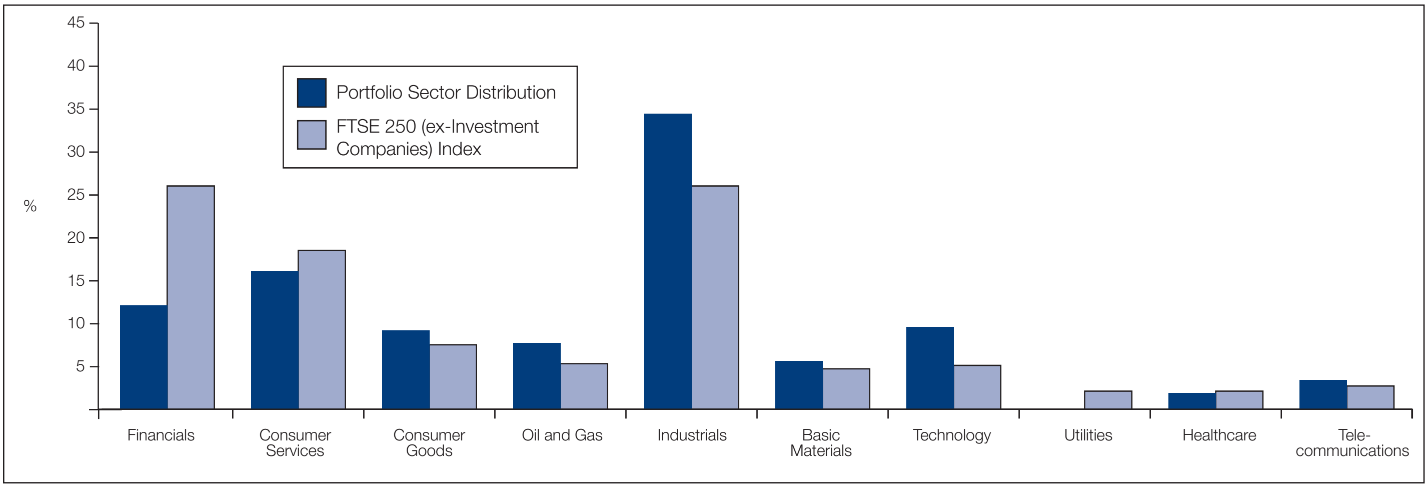
Financial Highlights

	2013	2012	
Total returns (including dividends reinvested) for the year ended 30 September			
Net asset value ("NAV") per share[1]	**39.3%**	27.7%	
Share price[1]	**56.0%**	30.6%	
Benchmark[2]	**33.0%**	25.5%	
			% Change
NAV, share price and discount at 30 September			
Shareholders' funds (£'000)	**161,739**	118,942	+36.0
Shares in issue	**36,143,690**	36,143,690	
NAV per share	**447.49p**	329.08p	+36.0
Share price	**420.0p**	277.0p	+51.6
Share price discount to NAV per share	**6.1%**	15.8%	
Revenue for the year ended 30 September			
Net revenue after taxation (£'000)	**3,096**	2,789	+11.0
Revenue return per share	**8.57p**	7.72p	+11.0
Dividends per share	**7.70p**	6.82p	+12.9
Gearing[3]	**2.0%**	3.7%	
Ongoing Charges[4]	**1.01%**	1.11%	

[1]Source: Morningstar.
[2]Source: Thomson Financial Datastream. The Company's benchmark is the FTSE 250 (ex-Investment Companies) Index.
[3]Borrowings used for investment purposes, less cash, expressed as a percentage of net assets.
[4]Ongoing Charges represents the management fee and all other operating expenses excluding finance costs and any performance fee payable, expressed as a percentage of the average daily net asset values during the year.

Comparison of Portfolio Sector Distribution with the FTSE 250 (ex-Investment Companies) Index at 30 September 2013[1]



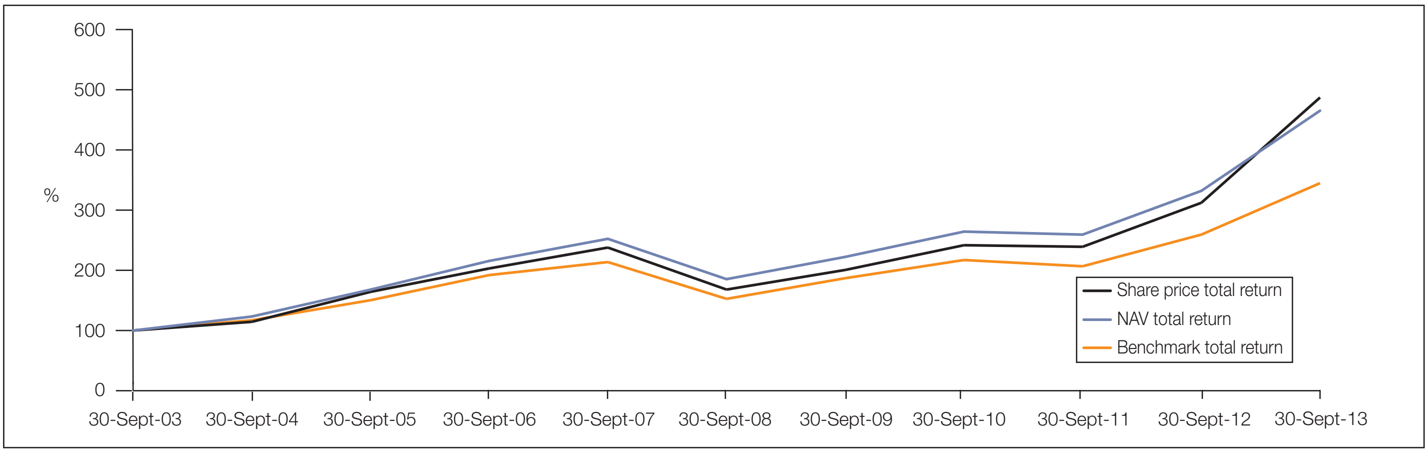
[1]Source: Schroders/Thomson Financial Datastream.

Ten-Year Financial Record

At 30 September		**2004**	**2005[1]**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Shareholders' funds (£'000)		51,051	69,498	88,055	100,852	73,556	85,109	98,750	95,269	118,942	161,739
NAV per share (pence)		138.6	188.7	239.6	278.3	203.5	235.5	273.2	263.6	329.1	447.5
Share price (pence)		121.3	171.5	209.5	242.5	168.0	192.8	225.5	218.0	277.0	420.0
Share price discount to NAV per share (%)		12.5	9.1	12.6	12.9	17.4	18.1	17.5	17.3	15.8	6.1
Year ended 30 September											
Net revenue after taxation (£'000)		744	1,012	1,281	1,817	2,253	1,880	2,156	2,437	2,789	3,096
Revenue return per share (pence)		2.37	2.75	3.48	4.97	6.22	5.20	5.96	6.74	7.72	8.57
Dividends per share (pence)		2.00	2.25	2.85	4.11	5.30	5.30	5.83	6.20	6.82	7.70
Ongoing Charges (%)[2]		1.70	1.60	1.40	1.31	1.15	1.19	1.21	1.12	1.11	1.01
Gearing/(net cash)[3]		9.1	7.1	1.7	2.5	(9.7)	(2.6)	3.1	2.8	3.7	2.0
Performance[4]											
NAV total return (based on ex-income NAV)[5]	100.0	123.2	167.9	215.6	252.3	185.3	222.3	264.3	259.3	332.0	465.9
Share price total return	100.0	114.4	164.2	203.1	237.8	168.0	200.6	241.7	239.1	312.2	487.1
Benchmark[6]	100.0	117.0	150.3	192.1	213.7	152.6	186.9	217.1	206.7	259.3	344.8

[1]The results for the year ended 30 September 2005 have been restated, where necessary, in accordance with Financial Reporting Standards 21, 25 and 26. Results for the years prior to 2005 have not been restated.
[2]Ongoing Charges represents the management fee and all other operating expenses excluding finance costs and any performance fee payable, expressed as a percentage of the average daily net asset values during the year. The figures for 2010 and prior years represent the expenses calculated as above, expressed as a percentage of the average of the opening and closing NAVs during the year.
[3]Borrowings used for investment purposes, less cash, expressed as a percentage of net assets. If the amount so calculated is negative, this is shown as a "net cash" position.
[4]Source: Morningstar/Thomson Financial Datastream. Rebased to 100 at 30 September 2003.
[5]Calculated using year end net asset values after deduction of the final dividend declared.
[6]With effect from 1 April 2011, the Company's benchmark has been the FTSE 250 (ex-Investment Companies) Index. Prior to that date, the benchmark was the FTSE All-share, ex-Investment Companies, ex-FTSE 100 Index. The return for 2011 is based on a combination of both of these indices, calculated on a pro rata basis.

Ten-Year NAV, Share Price and Benchmark Performance[1]



[1]Source: Morningstar/Thomson Financial Datastream. Rebased to 100 at 30 September 2003.

Chairman's Statement

Performance

The year ended 30 September 2013 was a positive year for mid cap stocks and I am pleased to report strong performance for your Company during the period, with the Company's net asset value producing a total return of 39.3%[1], comparing favourably to an increase of 33.0%[2] in the Company's benchmark, the FTSE 250 (ex-Investment Companies) Index. The Company's share price performed particularly strongly, producing a total return of 56.0%[1] during the year, reflecting a re-rating of the Company's shares in light of increasing investor interest in the UK mid cap sector.

Long term performance continues to be strong, with the Company's net asset value outperforming the benchmark in eight of the last 10 financial years. An investor in the Company on 1 May 2003, when Schroders were appointed as Manager, would have seen the value of their investment increase six-fold[3] by 30 September 2013.

The Investment Manager's Review on pages 7 and 8 of this Report provides greater detail on performance, market background and investment outlook for the Company.

Dividends

I am also pleased to report that income generated by the portfolio again increased during the year under review, with revenue return per share rising by 11.0% from 7.72 pence per share to 8.57 pence per share. The Directors therefore recommend the payment of a final dividend of 5.45 pence per share for the year ended 30 September 2013, which, together with the interim dividend of 2.25 pence per share paid during the year, represents an increase of 12.9% over dividends declared in respect of the of the previous financial year.

A resolution approving the payment of the final dividend for the year ended 30 September 2013 will be proposed at the Annual General Meeting. If passed, the dividend will be paid on 3 February 2014 to shareholders on the register on 13 December 2013.

Gearing Facility

During the year, the Company renewed the £15 million revolving credit facility with Scotiabank Europe PLC. At the beginning of the year net gearing stood at 3.7% and this had decreased to 2.0% by the end of the year. Parameters for the use of gearing have been established and these are reviewed regularly by the Board.

Purchase of Shares for Cancellation and Discount Management

The discount of the Company's share price to underlying net asset value narrowed significantly during the year from 15.8% at the start of the year to 6.1% on 30 September 2013. The average discount for the year was 12.8%. Since the year-end the position has continued to improve and the share price discount stood at 5.2% as at 13 December 2013.

At the Company's last Annual General Meeting held on 29 January 2013, the Company was granted authority to purchase up to 14.99% of its issued share capital for cancellation or for holding in Treasury. During the year ended 30 September 2013, the Company did not purchase any shares for cancellation or for holding in Treasury.

The decision whether to purchase shares is addressed regularly in Board discussions. Whilst share buy-backs are one method of addressing discount levels, their effectiveness depends on the size and nature of the share register. Your Board believes that the most sustainable way to close the discount is to increase demand for the Company's shares by effective marketing over the longer term, and a continuation of its strong performance track record. In the meantime, the Board will continue to consider whether share purchases should be made on a regular basis, alongside other means of discount control. To provide maximum flexibility for the future, it is proposed that the existing authority be renewed at the forthcoming Annual General Meeting.

[1]Source: Morningstar.
[2]Source: Thomson Financial Datastream.
[3]Source: Morningstar/Thomson Financial Datastream. Assumes dividends reinvested.

Chairman's Statement

In light of the continued improvement in the Company's share price relative to net asset value, the Board will also consider opportunities to issue shares to meet demand should the share price move to a sustained premium during the year ahead.

Appointment of a Non-Executive Director

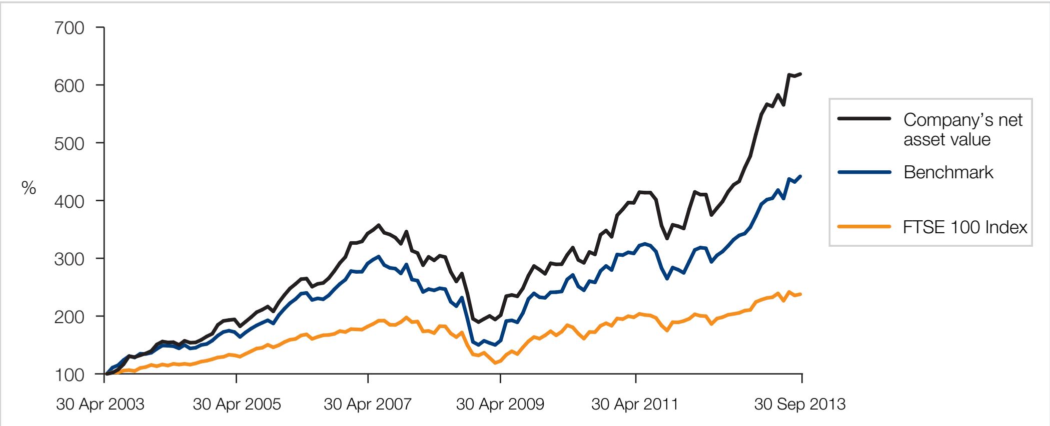
I have previously reported on the planned refreshment of the Board. This continued during the year under review, with the retirement of Mr Chris Jones as a non-executive Director of the Company at the Annual General Meeting held on 29 January 2013 and the appointment of Mrs Clare Dobie as a non-executive Director of the Company with effect from 11 September 2013. Mrs Dobie's biographical details can be found on the inside front cover of this Report. Mrs Dobie brings experience of the fund management industry in general and marketing in particular.

In accordance with the Company's Articles of Association, a resolution to elect Mrs Dobie as a Director of the Company will be proposed at the forthcoming Annual General Meeting.

Long-Term Performance

Last year I mentioned that May 2013 was going to be the tenth anniversary of Schroders' appointment as the Company's Investment Manager. It has been a decade of success, both in terms of absolute returns and relative to the Company's benchmark, and it is pleasing to report that this has continued for another year. I am delighted to add that your Company has been named "Best UK Growth Fund" in Investment Week's Investment Company of the Year Awards 2013.

The Rise in the Company's Net Asset Value vs the FTSE 100 Index and the Benchmark



Source: Morningstar, to 30 September 2013 with dividends reinvested. Schroders were appointed on 1 May 2003. Rebased to 100 as at 30 April 2003. The Company changed its benchmark from the FTSE All-Share, ex Investment Companies, ex FTSE 100 Index to the FTSE 250 (ex-Investment Companies) Index with effect from 1 April 2011.

Outlook

A year ago I also mentioned that the UK mid cap sector continued to offer three investment characteristics different from large caps:

- opportunities to invest in businesses unrepresented in the large cap indices within a broadly diversified index;
- an absence of the mega-cap global companies whose size often constrains their ability to grow quickly; and
- the consequent tremendous opportunities for mid cap stock-pickers.

The growth in the value of the portfolio suggests that many of these opportunities have become increasingly recognised by the wider market. The Board notes the comments in the Investment Manager's Review about the short-term challenge of finding new opportunities to replace holdings hitting their target prices: the portfolio has

Chairman's Statement

benefited from substantial gains in investee companies. The Board takes confidence in the quality of companies in the portfolio and looks to their earnings growth in a recovering economy to drive performance from here.

Annual General Meeting

The Company's Annual General Meeting will be held at 12.00 noon on Friday, 31 January 2014 and shareholders are encouraged to attend. As in previous years, the meeting will include a presentation by the Investment Manager on the Company's investment strategy and market prospects.

Peter Timms, CBE
Chairman
18 December 2013

Investment Manager's Review

Performance

Over the 12 months to 30 September 2013, the Company's net asset value on a total return basis rose by 39.3%[1]. This compared with a 33.0%[2] total return in the benchmark, the FTSE 250 (ex-Investment Companies) Index.

Over the period from 1 May 2003 (when Schroders took responsibility for management of the portfolio) to 30 September 2013, the Company's net asset value produced a total return of 519%[1] while the shares produced a total return of 617%[1], compared to a total return of 342%[2] for the benchmark[3] over the same period.

Strong positive contributions for the second year running came from companies providing support services to the US construction, infrastructure and housebuilding industries, most notably Ashtead, which is benefiting from a multi-year shift to the hire rather than purchase of construction equipment, and Keller which provides early stage specialist ground engineering skills.

Other investments benefited from portfolio acquisitions and divestments, for example Daily Mail & General Trust reduced its exposure to UK regional newspapers and re-deployed the proceeds in a share buy-back. Dignity improved its presence in the north of England via the acquisition of a portfolio of 40 funeral locations. Controls and signalling group Invensys received a takeover bid from Schneider Electric at a useful premium.

The principal detractors from performance did not in general suffer absolute declines in share prices, but lagged a very strong advance in the benchmark. Two exceptions were translation services group SDL which announced a series of profit warnings arising from poor sales and market execution and slow integration of prior acquisitions, and Anglo Pacific Group which suffered falling royalty income in tandem with weaker coal prices.

Market Background

Equities have advanced strongly this year, particularly in developed economies, as concerns over emerging market growth rates have surfaced. In the UK, forecasters have lifted their expectations for the rate of economic growth, not least because recent policy changes have begun to stimulate the housing market and private sector employment. Continuing low interest rates on deposits and a mid-year correction in bond markets have driven investors to seek the higher returns on offer in equities, and confidence has improved to the extent that the IPO market in London has recently re-opened.

Portfolio Update

New purchases in the past year have included Close Brothers (specialist banking), Soco (oil producer), DCC (specialist distributor), Enquest (oil producer), Jardine Lloyd Thompson (insurance broker), London Stock Exchange, N Brown (online and mail order fashion retailer), Redrow (housebuilder) and Supergroup (branded young fashion retailer).

Complete disposals have included easyJet, London Stock Exchange, Persimmon, Sports Direct, Travis Perkins and William Hill each upon promotion to the FTSE 100 Index, and De la Rue, Essentra, Oxford Instruments, Renishaw and RPC on reaching our fair value targets. The exit from legacy smaller company holdings was substantially completed with disposals of Albemarle & Bond, CPP, E2V, Shanks and Local Shopping Real Estate Investment Trust.

Outlook

The past 12 months has seen a significant appreciation in the valuation of the UK mid cap universe in which this Company invests. In many cases company valuations have risen faster than underlying earnings as the wider investment community has been attracted to the wide range of unique businesses on offer.

Looking ahead, therefore, the short-term challenge is to find new investments at attractive prices to replace those that have exceeded fair value or indeed have been promoted into the FTSE 100 Index. The task is not made easier

[1]Source: Morningstar.
[2]Source: Thomson Financial Datastream.
[3]The Company's benchmark changed from the FTSE All-Share, ex–Investment Companies Index, ex-FTSE 100 Index, to the FTSE 250 (ex-Investment Companies) Index on 1 April 2011.

Investment Manager's Review

by the lack of clarity in US government policy as regards the timing and rate of tapering of their quantitative easing measures.

More pertinently in our own domestic market, the forthcoming general election due in 18 months' time will increasingly elicit populist policy proposals and counter-proposals from the various political parties as they jockey for position with the electorate. This will likely impact a wider range of industry sectors as the election approaches, with consumers likely to benefit at the expense of businesses.

It should however be noted that approximately half of the revenues generated by our investee companies are derived outside the United Kingdom, mitigating this particular political risk.

Our investments are also well financed, with approximately half carrying no net debt. This gives them the ability to grow through organic investment and acquisitions, and our focus remains on management teams which display rigour in capital allocation, giving us confidence that they will continue to add value. The processes employed over the last decade remain unchanged.

Schroder Investment Management Limited
18 December 2013

Investment Portfolio

As at 30 September 2013

Company	Sector classification	Principal activity	Market value of holding £'000	% of total equity shareholders' funds
Ashtead	Support Services	Provider of rental plant and equipment	5,838	3.6
Daily Mail & General Trust	Media	International media company with interests in newspapers and related digital operations, local media and radio	4,172	2.6
Kier	Construction and Materials	Construction, development and service company, specialising in building and civil engineering	3,875	2.4
Berkeley	Consumer Goods	House builder	3,829	2.3
WS Atkins	Support Services	Engineering and design consultant	3,576	2.2
Bodycote International	Industrial Engineering	Supplier of specialist testing and thermal processing services	3,575	2.2
SIG	Support Services	Leading European distributor of insulation materials	3,528	2.2
Berendsen	Support Services	Provider of textile maintenance services	3,520	2.2
Rightmove	Media	Operator of the UK's largest residential property portal	3,420	2.1
Inchcape	General Retailers	Importer and distributor of motor vehicles	3,355	2.1
CSR	Technology Hardware and Equipment	Designer and manufacturer of single-chip radio devices	3,338	2.1
Diploma	Support Services	International distributor of specialised technical products	3,265	2.0
Dignity	General Retailers	Provider of funeral related services	3,218	2.0
IG	Financial Services	Provider of financial spread betting and CFD's	3,179	2.0
Dechra Pharmaceuticals	Pharmaceuticals and Biotechnology	Manufacturer of pharmaceutical products and equipment for the veterinary industry	3,175	2.0
Telecom Plus	Fixed Line Communications	Multi-utility supplier	3,160	1.9
Elementis	Chemicals	Manufacturer and seller of chromium chemicals, pigments and other chemicals	3,116	1.9
DCC	Support Services	International sales, marketing, distribution and support services	3,031	1.9
Micro Focus International	Software and Computer Services	Multinational software and technology business	3,018	1.9
Halma	Electronic and Electrical Equipment	Manufacturer of safety products	2,964	1.8
20 Largest Investments			**70,152**	**43.4**
Close Brothers	Financial Services	Banking, securities and investment management company	2,920	1.8
Pace	Technology Hardware and Equipment	Developer of digital TV technologies	2,915	1.8
N Brown	General Retailers	Leading internet and catalogue home shopping company	2,879	1.8
Supergroup	General Retailers	Distinctive branded fashion retailer	2,863	1.8
Derwent London REIT	Real Estate Investment Trust	Specialised central London property investment and regeneration REIT	2,839	1.7
Brewin Dolphin	Financial Services	Provider of investment management services to private clients	2,801	1.7
Grainger	Real Estate and Investment Services	Purchases, lets, manages and refurbishes tenanted property	2,789	1.7
Fenner	Industrial Engineering	Producer of heavyweight belting	2,785	1.7
Computacenter	Software and Computer Services	Provider of IT infrastructure services	2,785	1.7
Domino Printing	Electronic and Electrical Equipment	Manufacturer and supplier of industrial inkjet and laser printing equipment	2,720	1.7
Soco International	Oil and Gas Producers	Oil and gas exploration and development company	2,709	1.7
Senior	Aerospace and Defence	Designer and manufacturer of high technology components for the civil aerospace and defence markets	2,695	1.7

Investment Portfolio

Company	Sector classification	Principal activity	Market value of holding £'000	% of total equity shareholders' funds
James Fisher	Industrial Transportation	Provider of marine services and management solutions	2,648	1.6
AG Barr	Beverages	Soft drinks manufacturer	2,628	1.6
Kentz	Oil Equipment and Services	Engineering solutions business which serves customers primarily in the oil and gas, petrochemical, mining and metal sectors	2,627	1.6
Premier Oil	Oil and Gas Producers	Exploration, development and production of oil and gas	2,602	1.6
Jardine Lloyd Thompson	Non-Life Insurance	Provider of insurance and employee related benefits advice	2,589	1.6
Invensys	Software and Computer Services	Global technology group supplying solutions, software and equipment	2,547	1.6
Taylor Wimpey	Consumer Goods	House builder	2,521	1.6
Lamprell	Oil Equipment and Services	Specialist in rig upgrade and refurbishment	2,441	1.5
TalkTalk Telecom	Fixed Line Telecommunications	Fixed line voice and broadband telecommunications provider	2,416	1.5
Investec	Financial Services	Global Investment management company	2,402	1.5
Victrex	Chemicals	Manufacturer of speciality plastics	2,393	1.5
Synthomer	Chemicals	Producer of speciality polymers	2,374	1.5
Ultra Electronics	Aerospace and Defence	Designer and manufacturer of electronic and electromechanical systems and products	2,360	1.5
Enquest	Oil and Gas Producers	Oil and gas development company	2,340	1.4
ITE	Media	Organiser of trade exhibitions and conferences	2,308	1.4
Qinetiq	Aerospace and Defence	Technical, engineering and software services provider for aerospace, defence and security	2,293	1.4
Regus	Support Services	Provider of serviced office space	2,274	1.4
Millennium & Copthorne Hotels	Travel and Leisure	Hotel operator	2,218	1.4
Bovis Homes	Consumer Goods	House builder	2,150	1.3
Redrow	Consumer Goods	House builder	2,085	1.3
UBM	Media	Provider of market research, news distribution and professional media services	1,964	1.2
Devro	Food Producers	Manufacturer of sausage skins	1,946	1.2
RPS	Support Services	Environmental and planning consultancy business	1,938	1.2
Premier Farnell	Support Services	Supplier of electronic products and maintenance/repair services	1,733	1.1
Keller	Construction and Materials	International ground engineering specialist	1,651	1.0
Anglo Pacific	Mining	Global natural resources royalties company	1,294	0.8
SDL	Software and Computer Services	Solutions company offering multilingual translation software and translation services	1,093	0.7
LMS Capital	Financial Services	Investment company	362	0.2
Morgan Advanced Materials	Electronic and Electrical equipment	Advanced electronics materials manufacturer	310	0.2
Total investments[1]			**164,359**	**101.6**
Net current liabilities			**(2,620)**	**(1.6)**
Total equity shareholders' funds			**161,739**	**100.0**

[1]Total investments comprise entirely equities.

As at 30 September 2012, the 20 largest investments represented 43.0% of total equity shareholders' funds.

Strategic Report

Introduction

The Strategic Report contains a review of the Company's business including the business model, the principal risks and uncertainties it faces, an analysis of its performance during the financial year and its future development.

Business Model

The Company carries on business as an investment trust whose shares are listed on the London Stock Exchange. The Company has been approved by HM Revenue & Customs as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010, by way of a one-off application. The Company will continue to conduct its affairs in a manner which will enable it to retain this status, which exempts the Company from liability for capital gains tax on the revaluation or disposal of investments.

As an investment trust, the Company invests in a diversified portfolio of shares and securities of other companies, in line with its investment objective and policy. The Company has no employees and outsources all services to third parties, including investment management and research, which is outsourced to the Investment Manager as described in more detail under "Strategy/Investment Policy" below.

The Company is domiciled in the UK and is an investment company within the meaning of Section 833 of the Companies Act 2006.

It is not a close company for taxation purposes.

It is not intended that the Company should have a limited life and the Articles of Association do not contain any provision for the review of the future of the Company at specified intervals.

Investment Objective

The Company's investment objective is to invest in Mid Cap Equities with the aim of providing a total return in excess of the FTSE 250 (ex-Investment Companies) Index.

Relationship with the Investment Manager

Schroder Investment Management Limited ("Schroders"/the "Manager"), which is authorised and regulated by the Financial Conduct Authority ("FCA"), provides investment management, accounting and company secretarial services to the Company under the terms of an Investment Management Agreement. Schroders also provides general marketing support for the Company and manages relationships with key investors, in conjunction with the Chairman, other Board members or the corporate broker as appropriate.

The Company's assets are managed in line with appropriate restrictions placed on Schroders by the Board. These restrictions include limits on the type and relative size of holdings which may be held in the portfolio and on the use of gearing, hedging, cash, derivatives and other financial instruments. Schroders is also responsible for ensuring that the voting rights held in respect of portfolio companies are used as part of a process of effective engagement with the management of portfolio companies. The Company also gives instructions to Schroders to ensure that it discharges the obligations of the UK Stewardship Code on its behalf.

Schroders, in its capacity as Company Secretary, liaises with the Company's corporate broker to assist in the implementation of the Company's discount management policy. The Company Secretary also advises the Board on key relationships with other third party service providers and ensures regular review of the services provided by these parties.

All services carried out by Schroders are subject to regular reporting to, and monitoring by, the Board or its Committees.

Strategy/Investment Policy

The Board has delegated management of the Company's portfolio to Schroder Investment Management Limited. The Manager manages the portfolio with the aim of helping the Company to achieve its investment objective. Details of the Manager's approach, along with other factors that have affected performance during the year, are set out in the Chairman's Statement on pages 4 to 6 and the Investment Manager's Review on page 7 and 8.

In applying the investment objective, the Manager expects the Company to be fully invested and to gear up to 25% when appropriate.

The Manager's investment process takes a stock specific approach with an emphasis on growth companies. Sector weightings play a secondary role, resulting naturally from stock selection. Fundamental research forms the basis of each investment decision taken by the Manager, who carries out its own research with numerous company contacts. When analysing stocks, the Manager looks for companies with strong management teams with a proven record, good future prospects and a strong business franchise within their markets.

Spread of Investment Risk

Risk in relation to the Company's investments is spread as a result of the Manager monitoring the Company's portfolio with a view to ensuring that the portfolio retains an appropriate balance to meet the Company's investment

Strategic Report

objective. The key restrictions imposed on the Manager are that: (a) no more than 15% of the Company's total net assets, at the date of acquisition, may be invested in any one single company; (b) no more than 10% of the value of the Company's gross assets may be invested in other listed investment companies unless such companies have a stated investment policy not to invest more than 15% of their gross assets in other listed investment companies; (c) no more than 15% of the Company's total net assets may be invested in open-ended funds; and (d) no holding may represent 20% or more of the equity capital of any company. The Investment Portfolio on pages 9 and 10 demonstrates that, as at 30 September 2013, the Company held 61 investments spread over a range of industry sectors. The largest investment, Ashtead, represented 3.6% of total equity shareholders' funds at 30 September 2013. At the year end, the Company did not hold any unlisted investments, and did not hold open-ended funds. However, the Company had an interest amounting to 1.7% of shareholders' funds in a Real Estate Investment Trust. The Board therefore believes that the objective of spreading risk has been achieved in this way.

Performance

An outline of performance, market background, investment activity and portfolio strategy during the year under review, as well as outlook, is provided in the Investment Manager's Review on pages 7 and 8.

Measuring Success – Key Performance Indicators ("KPIs")

KPIs are the method through which the Board measures the development and success of the Company's business. The Board considers achievement of the Company's investment objective as stated above to be the most significant KPI for the Company.

Investment Performance

In order to allow the Board to measure performance against the Company's investment objective, the Board is provided with quarterly reports from the Manager. These reports provide commentary on markets, portfolio activity, performance and investment strategy, including the impact of stock selection decisions and other attribution analyses, together with the outlook for the portfolio and markets. This information forms the basis of discussions at each Board meeting. On a regular basis, the Board also reviews the investment approach and processes of the Manager and considers reports from its broker on the perception of shareholders and the market on the Manager's performance and the Company's strategy, together with statistics on peer group performance.

A full analysis of the Company's performance for the year under review and over the longer-term, together with the portfolio sector distribution relative to the FTSE 250 (ex-Investment Companies) Index as at 30 September 2013, can be found on page 2.

Discount Management

The shares of the Company often trade at a discount to net asset value and the management of this discount is a key factor for the Board. The Board has therefore adopted a second KPI, which measures the success of the Board's strategy to limit volatility of the discount.

As the discount is a function of the balance between the supply of and demand for the Company's shares, a principal objective for the Board is to ensure that, through Schroder's marketing team and the Company's corporate brokers, potential shareholders and their advisers continue to be kept informed of the Company's progress and the ways that they can invest in it.

Share buy-backs are a more direct way of managing the discount but in the Board's view, their impact can be short-lived. The discount of the Company's share price to its underlying net asset value, and the discounts of peer group companies, are monitored. The Board considers the use of its share buy-back authority on a regular basis and utilises this authority as appropriate. During the year under review, no shares were purchased for cancellation. These guidelines are updated as considered necessary.

At 30 September 2013, the Company's share price stood at a discount of 6.1% to net asset value. During the year under review, the share price traded at a discount ranging between 20.9% and 0.3%. While the range of the discount was wide during this period, it was in line with, or narrower than, its peer group companies for significant periods during the year under review.

Control of Ongoing Charges

The Board has adopted a third KPI which assists in keeping the Ongoing Charges of the Company under review.

An analysis of all costs, including management fees, Directors' fees and general expenses, is submitted to each Board meeting. The Management Engagement Committee, comprised entirely of independent Directors, considers the terms of the management agreement with the Manager, including fees, on an annual basis. Services (including costs) provided by most other service providers including bankers, auditors, insurance providers and printers are also reviewed annually.

The Ongoing Charges figure for the year ended 30 September 2013 (representing the management fee and all other operating expenses excluding finance costs and any performance fee payable, expressed as a percentage of the average daily net asset values during the year) was 1.01% (2012: 1.11%). The Ongoing Charges figure is calculated in accordance with guidance issued by the AIC in May 2012.

Strategic Report

Principal Risks and Uncertainties

The Board has adopted a matrix of key risks which affect its business and a robust framework of internal control which is designed to monitor those risks and to provide a system to enable the Directors to mitigate them as far as possible and which assists in determining the nature and extent of the significant risks the Board is willing to take in achieving its strategic objectives. A full analysis of the Company's system of internal control and its monitoring system is set out in the Corporate Governance Statement on pages 22 to 26. The principal risks are considered to be as follows:

Financial Risk

The Company is exposed to the effect of market fluctuations due to the nature of its business. A significant fall in the UK stockmarket would have an adverse impact on the market value of the Company's portfolio of investments. The Board considers the risk profile of the portfolio at each Board meeting and discusses with the Manager appropriate strategies to mitigate any negative impact arising from substantial changes in the market. A detailed breakdown of financial risks facing the Company is set out in note 20 on pages 39 to 42.

Gearing

The Company has in place a £15 million (2011: £15 million) credit facility, which has provision to be increased to £20 million. As at 30 September 2013, net gearing stood at 2.0% (2012: 3.7%). In falling markets, any reduction in net asset value and share price is amplified by the gearing. The Directors keep the Company's gearing strategy under constant review and impose strict restrictions on borrowings to mitigate this risk. The Company's gearing continues to be operated within pre-agreed limits so that gearing does not exceed 25%. Details of the Company's credit facility are given in note 20(a)(i) on page 40.

Strategic Risk

Over time investment vehicles and asset classes can become out of favour with investors or may fail to meet their investment objectives. This may be reflected in a wide discount of the shares to underlying asset value. Directors periodically review whether the Company's investment remit remains appropriate and continually monitor the success of the Company in meeting its stated objectives. Further details may be found under "Investment Performance" and "Discount Management" above.

Accounting, Legal and Regulatory Risk

In order to continue to qualify as an investment trust, the Company must comply with the requirements of Section 1158 of the Corporation Tax Act 2010. Should the Company not comply with these requirements, it might lose investment trust status and capital gains within the Company's portfolio could, as a result, be subject to Capital Gains Tax.

Breaches of the UK Listing Rules, the Companies Act 2006 or other regulations with which the Company is required to comply, could lead to a number of detrimental outcomes and damage the Company's reputation. Breaches of controls by service providers, including the Manager, could also lead to reputational damage or loss.

The Board's system of internal control seeks to mitigate the potential impact of these risks and it also relies on its Manager and other advisers to assist it in ensuring continued compliance.

Gender Representation on the Board

The composition of the Board as at 30 September 2013 is set out on the inside front cover of this Report. The Board's policy on diversity is set out in the Corporate Governance Statement on page 24.

Future Developments

The future performance of the Company depends upon the success of the Company's investment strategy in light of economic factors and equity market developments. Further comments on the outlook for the Company for the next 12 months are set out in both the Chairman's Statement on pages 5 and 6 and the Investment Manager's Review on pages 7 and 8.

Corporate Social and Environmental Policy

As an investment company, the Company has no direct social, environmental or human rights responsibilities; its policy is focused on ensuring that its portfolio is properly managed and invested. The Company has however adopted a corporate social and environmental policy, details of which are set out in the Report of the Directors on page 15.

By Order of the Board
Schroder Investment Management Limited
Company Secretary

18 December 2013

Report of the Directors

The Directors submit their Report and the Audited financial statements of the Company for the year ended 30 September 2013. The Corporate Governance Statement on pages 22 to 26 forms part of this Report.

Information disclosed in the Strategic Report

The following matters required to be disclosed in this Report under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are covered in the Strategic Report on pages 11 to 13: the Company's financial risk management objectives and policies as well as its exposure to price risk, credit risk and liquidity risk (by reference to the notes to the accounts, as relevant) and an indication of likely future developments in the Company's business.

Revenue and Dividend

The net revenue return for the year, after finance costs and taxation, was £3,096,000 (2012: £2,789,000), equivalent to a revenue return per Ordinary share of 8.57 pence (2012: 7.72 pence).

For the year ended 30 September 2013, the Directors have declared an interim dividend of 2.25 pence per Ordinary share and have recommended a final dividend of 5.45 pence per Ordinary share which, subject to approval by shareholders at the forthcoming Annual General Meeting, will be paid on 3 February 2014 to shareholders on the register on 13 December 2013. The dividend, if approved, will not be accounted for until it is paid. The payment of the final dividend, if approved by shareholders, will bring total dividends for the year ended 30 September 2013 to 7.70 pence per Ordinary share (2012: 6.82 pence per Ordinary share).

Net Asset Value

During the year under review, the net asset value of the Company increased from 329.08 pence per share to 447.49 pence per share.

Directors and their Interests

The Directors of the Company and their biographical details can be found on the inside front cover of this report. All Directors held office throughout the year under review and up to the date of signing this Report, with the exception of Mr Chris Jones, who retired as a Director on 29 January 2013, and Mrs Clare Dobie, who was appointed on 11 September 2013.

In accordance with the Company's Articles of Association, Mrs Dobie will seek election at the forthcoming Annual General Meeting, this being the first Annual General Meeting since her appointment during the year. Biographical details for Mrs Dobie may be found on the inside front cover of this Report.

In accordance with the Company's Articles of Association and its policy on tenure as outlined in the Corporate Governance Statement, Mr Timms, Mr Rickman and Mr Sanderson will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. The Board has assessed the independence of all Directors. All are considered to be independent in character and judgement, notwithstanding that Mr Timms has served on the Board for more than nine years.

The Board supports the election of Mrs Dobie and the re-elections of Mr Timms, Mr Rickman and Mr Sanderson, as it considers that each of these Directors continues to demonstrate commitment to his or her role as a Director and makes a valuable contribution to the deliberations of the Board. It therefore recommends that shareholders vote in favour of their re-election.

No Director has any material interest in any contract which is significant to the Company's business.

The Directors' interests in the Company's share capital at the beginning and end of the financial year ended 30 September 2013, including those of connected persons, all of which were beneficial, were as follows:

Director	Ordinary shares of 25p each 30 September 2013	Ordinary shares of 25p each 1 October 2012
Peter Timms	**10,000**	10,000
Rachel Beagles	**11,066**	10,963
Clare Dobie[1]	**Nil**	N/A
Chris Jones[2]	**N/A**	10,000
Robert Rickman	**Nil**	Nil
Eric Sanderson	**Nil**	Nil

[1]Mrs Dobie was appointed as a Director of the Company on 11 September 2013.
[2]Mr Jones resigned as a Director of the Company on 29 January 2013.

There have been no changes to the above holdings between the end of the financial year and the date of this Report.

Report of the Directors

Share Capital

There have been no changes to the Company's issued share capital during the year under review. As at the date of this Report, the Company had 36,143,690 Ordinary shares of 25p each in issue. No Shares are held in Treasury. The total number of voting rights of the Company as at the date of this Report is 36,143,690.

Substantial Share Interests

As at the date of this report, the Company has received notifications in accordance with the FCA's Disclosure and Transparency Rule 5.1.2R of the following interests in 3% or more of the voting rights attaching to the Company's issued share capital:

	Number of Ordinary shares	Percentage of total voting rights
East Riding of Yorkshire Council	2,500,000	6.92
Barclays Plc	2,281,420	6.31
Smith & Williamson Holdings Ltd	1,821,654	5.04
Lloyds Banking Group plc	1,806,240	4.99
Standard Life Investments Ltd	1,377,785	3.81

Investment Manager

During the year under review the Board considered the services provided by the Manager. The Board continues to consider that the Manager provides the Company with considerable investment management resource and experience, thereby enhancing the ability of the Company to achieve its investment objective. The Board therefore considers that the Manager's continued appointment under the terms of the current Investment Management Agreement, further details of which are set out below, remains in the interests of shareholders.

The Investment Management Agreement may be terminated by either party on 12 months' written notice or on immediate notice in the event of certain breaches of its terms or the insolvency of either party. At the date of this Report, no such notice had been given. Under the terms of the Investment Management Agreement, Schroders is entitled to a fee at a rate of 0.8% on defined assets up to and including £75 million, and 0.6% thereafter, payable quarterly in arrears. For the purpose of calculating the management fee and performance fee, defined assets means total assets less current liabilities other than short term borrowings, provided that if there are any short term borrowings, the value of cash up to the level of such borrowings is deducted from the calculation of assets. The investment management fee payable in respect of the year ended 30 September 2013 is shown in note 4 to the accounts on page 35.

An annual performance fee is in operation. The fee is calculated on an annual basis at 0.1% of average defined assets for each 1% out-performance of the benchmark (the FTSE 250 (ex-Investment Companies) Index) over and above 0.8%, to a maximum performance fee of 1% of average defined assets in any given year. For the year ended 30 September 2013, a performance fee of £807,000 (2012: £159,000) is payable under the terms of the management agreement as shown in note 4 to the accounts on page 35.

The Manager is also entitled to a secretarial fee amounting to £114,000 (2012: £111,000) per annum including VAT. This fee continues to be subject to annual adjustment in line with changes in the Retail Prices Index.

Greenhouse Gas Emissions

As the Company outsources its operations to third parties, it has no greenhouse gas emissions to report.

Corporate Social and Environmental Policy

The Company's primary investment objective is to achieve optimal financial returns for shareholders, within established risk parameters and regulatory constraints. Providing that this objective is not compromised in the process, the Board does however, believe that it is also possible to develop a framework that, in the interests of our shareholders, allows a broader range of considerations, including environmental and social issues, to be taken into account when selecting and retaining investments. The investment process therefore contains a review of research into the environmental, social and ethical stance of companies. Where potential financial or reputational risks are identified, their materiality is assessed and given due consideration when selecting or retaining investments.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Report of the Directors, the Corporate Governance Statement, the Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under that law they have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United

Report of the Directors

Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and function are set out in the inside front cover of this Report, confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Going Concern

The Directors believe that, having considered the Company's investment objective (see inside front cover), risk management policies (see note 20 to the accounts on pages 39 to 42), capital management policies and procedures (see note 21 to the accounts on page 42), expenditure projections and the fact that the Company's assets comprise readily realiseable securities that can be sold to meet funding requirements if necessary, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements.

Independent Auditor

The Company's Auditor, Ernst & Young LLP, has expressed its willingness to remain in office and resolutions to re-appoint them as Auditor to the Company and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

Provision of Information to the Auditor

The Directors at the date of approval of this report confirm that, so far as each of the Directors is aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Anti-Bribery Policy

The Company continues to be committed to carrying out its business fairly, honestly and openly and continues to operate an anti-bribery policy which aims to prevent bribery being committed by Directors and persons associated with the Company on the Company's behalf and to ensure compliance with the Bribery Act 2010.

Annual General Meeting ("AGM")

The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult an independent financial adviser, authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your Ordinary shares in the Company, please forward this document with its accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Report of the Directors

The AGM will be held on Friday, 31 January 2014 at 12.00 noon. The formal Notice of Meeting is set out on page 43.

Special Business to be Proposed at the AGM
Resolutions relating to the following items of special business will be proposed at the AGM:

Resolution 11 – Authority to Allot Shares (Ordinary Resolution) and Resolution 12 – Power to Disapply Pre-emption Rights (Special Resolution)

At the AGM held on 29 January 2013, the Directors were granted authority to allot a limited number of new Ordinary shares or shares held in Treasury for cash. No shares have been allotted under this authority, which will expire at the forthcoming AGM. At the AGM held in January 2013, power was also given to the Directors to allot a limited number of new shares, or shares held in Treasury, other than pro rata to existing shareholders. This power will also expire at the forthcoming AGM and resolutions to renew both authorities will be proposed at the forthcoming AGM, the details of which are set out in full in the Notice of Meeting.

An ordinary resolution will be proposed to authorise the Directors to allot shares for cash up to a maximum aggregate nominal amount of £451,796 (being 5% of the issued share capital as at 18 December 2013). A special resolution will also be proposed to give the Directors power to allot securities for cash on a non pre-emptive basis up to a maximum aggregate nominal amount of £451,796 (being 5% of the Company's issued share capital (excluding any shares held in Treasury) as at 18 December 2013). Pre-emption rights under the Companies Act 2006 apply to the resale of Treasury shares for cash as well as the allotment of new shares. Resolution 12 therefore relates to both issues of new shares and the re-sale of Treasury shares.

If renewed, both authorities will expire at the conclusion of the AGM in 2015 unless renewed or revoked earlier.

Resolution 13 – Authority to Make Market Purchases of the Company's Own Shares (Special Resolution)

At the AGM held on 29 January 2013, the Company was granted authority to make market purchases of up to 5,417,939 Ordinary shares for cancellation or to be held in Treasury. No shares have been bought back under this authority and it will expire at the forthcoming AGM.

The Directors believe it is in the best interests of the Company and its shareholders to have a general authority for the Company to buy-back its Ordinary shares in the market as they keep under review the share price discount to net asset value and the purchase of Ordinary shares.

A special resolution will be proposed at the forthcoming AGM to give the Company authority to make market purchases of up to 14.99% of the Ordinary shares in issue at 18 December 2013. The Directors will exercise this authority only if they consider that any purchase would be for the benefit of the Company and its shareholders, taking into account relevant factors and circumstances at the time. Any shares so purchased would be cancelled or held in Treasury for potential reissue. If renewed, the authority will expire at the conclusion of the AGM in 2015, unless renewed or revoked earlier.

The maximum purchase price that may be paid for an Ordinary share will be no more than the greater of 5% above the average of the middle market quotations for the shares, as taken from the London Stock Exchange Daily Official List, for the five business days preceding the date of purchase and the higher of the price of the last independent trade in the shares and the highest then current independent bid for the shares on the London Stock Exchange. The minimum price will be 25p, being the nominal value per Ordinary share.

The resolutions to be put to shareholders will also authorise the Company to hold up to 5% of the issued share capital bought back in Treasury on the condition that such Treasury shares would, as is the case with shares to be issued under Resolutions 11 and 12, only be issued at a premium to net asset value. Shares held in Treasury may be reissued or cancelled at a future date rather than simply cancelled at the time of acquisition. Any shares held in Treasury for 12 months will be cancelled.

Recommendation

The Board considers that all the resolutions to be proposed at the forthcoming AGM are in the best interests of the Company and shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the resolutions to be proposed at the forthcoming AGM, as they intend to do in respect of their own beneficial holdings.

By Order of the Board
Schroder Investment Management Limited
Company Secretary

18 December 2013

Remuneration Report

Introduction

This Report has been prepared in accordance with the relevant provisions of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The Report is presented in a different format this year in order to comply with new legislative requirements. Both the Directors' Remuneration Policy and the Directors' Annual Report on Remuneration are subject to shareholder approval at the forthcoming Annual General Meeting ("AGM") as described below.

Directors' Remuneration Policy

The determination of the Directors' fees is a matter dealt with by the Management Engagement Committee and the Board.

It is the Board's policy to determine the level of Directors' remuneration having regard to amounts payable to non-executive directors in the industry generally, the role that individual directors fulfil in respect of Board and Committee responsibilities, and time committed to the Company's affairs, taking into account the aggregate limit of fees set out in the Company's Articles of Association. This aggregate level of Directors' fees is currently set at £150,000 per annum and any increase in this level requires approval by the Board and the Company's shareholders.

The Board and its Committees exclusively comprise non-executive Directors. No Director past or present has an entitlement to pensions, and the Company has not, and does not intend to, award any share options or long-term performance incentives to any Director. No element of Directors' remuneration is performance-related. No Director has a service contract with the Company, however directors have a letter of appointment with the Company under which they are entitled to one month's notice in the event of termination.

Directors do not receive exit payments and are not provided with any compensation for loss of office. No other payments are made to Directors other than the reimbursement of expenses incurred in carrying out business for the Company. The terms of Directors' letters of appointment are available for inspection at the Company's registered office address during normal business hours and during the AGM at the location of such meeting.

The Board did not seek the views of shareholders in setting this Remuneration Policy. Any comments on the Policy received from shareholders would be considered on a case-by-case basis.

As the Company does not have any employees, no employee pay and employment conditions were taken into account when setting this Remuneration Policy and no employees were consulted in its construction.

Component Parts of the Directors' Remuneration

The elements which comprise the basis of remuneration paid to Directors are set out in the table below (see also related notes 1 to 4 below the table).

Salary/fees	Taxable benefits	Amounts receivable during the financial year in respect of one-year performance targets	Amounts receivable during the financial year in respect of performance targets of more than one year	Pensions-related benefits
Fees only payable	Reimbursement of expenses	N/A	N/A	N/A

Notes to the above table

[1]The Chairman of the Board and the chair of the Audit Committee each receive fees at a higher rate than the other Directors to reflect their more onerous roles.

[2]The fees payable to Directors are not performance-related. They are set at a level to recruit and retain individuals of sufficient calibre, with the level of knowledge, experience and expertise necessary to promote the success of the Company in reaching its short and long-term strategic objectives.

[3]The maximum that may be paid in respect of Directors' aggregate fees is limited by the provisions of the Company's Articles of Association, as amended from time to time with the approval of shareholders.

[4]As the Company has no employees, there are no comparisons to be made between this Directors' Remuneration Policy and a policy on the remuneration of employees.

Remuneration Report

Directors' fees are reviewed annually and take into account research from third parties on the fee levels of Directors of peer group companies, as well as industry norms and factors affecting the time commitment expected of the Directors. New Directors are subject to the provisions set out in this Remuneration Policy.

Directors' Annual Report on Remuneration

This Report sets out how the Directors' Remuneration Policy was implemented during the year ended 30 September 2013.

Fees Paid to Directors

During the year ended 30 September 2013, the Chairman was paid a fee of £27,500 and the other members of the Board were each paid a fee of £20,000. The Chair of the Audit Committee received an additional £2,000 reflecting the additional time commitment for this role.

The following amounts were paid by the Company to the Directors for services as non-executive Directors in respect of the year ended 30 September 2013 and the previous financial year:

Director	Salary/ fees		Taxable benefits[1]		Amounts receivable during the year ended 30 September 2013 in respect of one-year performance targets		Amounts receivable during the year ended 30 September 2013 in respect of performance targets of more than one year		Pensions-related benefits		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	£	£	£	£	£	£	£	£	£	£	£	£
Peter Timms	27,500	27,500	–	–	–	–	–	–	–	–	27,500	27,500
Rachel Beagles	22,000	22,000	–	–	–	–	–	–	–	–	22,000	22,000
Clare Dobie[2]	1,096	–	–	–	–	–	–	–	–	–	1,096	–
Chris Jones	6,589	20,000	–	–	–	–	–	–	–	–	6,589	20,000
Robert Rickman	20,000	20,000	692	334	–	–	–	–	–	–	20,692	20,334
Eric Sanderson	20,000	20,000	–	–	–	–	–	–	–	–	20,000	20,000

[1]Comprises amounts reimbursed for travel costs incurred whilst performing duties as a Director.

[2]Mrs Dobie was appointed as a Director on 11 September 2013.

The information in the above table has been audited (see Independent Auditor's Report on page 27).

Consideration of Matters Relating to Directors' Remuneration

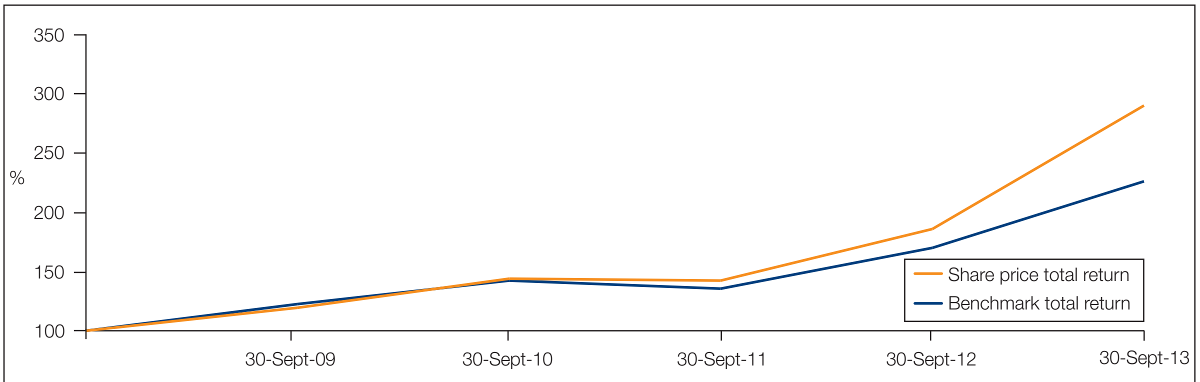
Directors' remuneration levels were reviewed by the Management Engagement Committee and Board during the year under review. The members of the Committee at the time that remuneration levels were considered were as set out in the inside front cover of this Report, with the exception of Mrs Dobie, whose appointment became effective after the meeting at which remuneration levels were considered. No external advice was sought in considering Directors' fee levels, however information on fees paid to Directors of other investment trusts managed by Schroders and peer group companies provided by the Company's Investment Manager and corporate broker was taken into consideration.

Following consideration, the Management Engagement Committee did not make any recommendations to the Board to change the current levels of remuneration payable to Directors.

Remuneration Report

Performance Graph

A graph showing the Company's share price total return compared with its benchmark over the last five years is shown below.



Source: Morningstar/Thomson Financial Datastream. Rebased to 100 at 30 September 2008.

Expenditure by the Company on Directors' Remuneration compared with Distributions to Shareholders

The table below compares the remuneration paid to Directors to distributions made to shareholders during the year under review and the prior financial year. In considering these figures, shareholders should take into account the Company's investment objective to provide a total return in excess of the FTSE 250 (ex-Investment Companies) Index.

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000	% Change
Remuneration paid to Directors	98	110	-10.9
Distributions to shareholders – dividends	3,278	2,241	+46.3

Directors' Share Interests

The Company's Articles of Association do not contain provision for Directors to own shares in the Company. The shareholdings of Directors, including those of connected persons, at the beginning and end of the financial year under review are set out in the Report of the Directors on page 14. Such information has been audited.

The Company does not operate a share scheme for Directors nor does it award Directors share options.

Implementation of the Directors' Remuneration Policy for the Year ending 30 September 2014

The Board does not intend to make any significant changes to the implementation of the Directors' Remuneration Policy as set out in this Report for the year ending 30 September 2014.

Shareholder Approval

Directors' Remuneration Policy

The above Remuneration Policy is currently in force and is subject to a binding vote every three years. An ordinary resolution to approve this Policy will be put to shareholders at the forthcoming AGM, following which the full Policy provisions will continue to apply until the AGM to be held in 2017 unless a revised Remuneration Policy is approved by shareholders prior to such AGM.

Remuneration Report

Directors' Annual Report on Remuneration

The above Report on Directors' Remuneration is subject to an annual advisory vote. An ordinary resolution to approve this Report will be put to shareholders at the forthcoming AGM.

At the Annual General Meeting held on 29 January 2013, 98.8% of the votes cast (including votes cast at the Chairman's discretion) in respect of approval of the Remuneration Report were in favour while 1.2% were against. 3,000 votes were withheld.

Recommendation

The Board considers that the above resolutions to be proposed at the forthcoming AGM are in the best interests of the Company and shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the resolutions to be proposed at the AGM, as they intend to do so in respect of their own beneficial holdings.

Peter Timms
Chairman

18 December 2013

Corporate Governance Statement

The Board is committed to high standards of corporate governance and has implemented a framework for corporate governance which it considers to be appropriate for an investment trust in order to comply with the principles of the UK Corporate Governance Code. The Financial Reporting Council published a revised version of the UK Corporate Governance Code in September 2012 (the "Code") which applies to accounting periods beginning on or after 1 October 2012 and the disclosures in this Statement report against its provisions. The Code is published by the UK Financial Reporting Council and is available to download from www.frc.org.uk.

Compliance Statement

The UK Listing Authority requires all UK listed companies to disclose how they have complied with the provisions of the Code. This Corporate Governance Statement, together with the Statement of Directors' Responsibilities and Going Concern set out on pages 15 and 16, indicates how the Company has complied with the principles of good governance of the Code and its requirements on Internal Control.

The Board considers that the Company has, throughout the year under review, complied with all relevant provisions set out in the Code, save in respect of the appointment of a Senior Independent Director, where departure from the Code is considered appropriate given the Company's position as an investment trust. The Board has considered whether a Senior Independent Director should be appointed. As the Board comprises entirely non-executive Directors, the appointment of a Senior Independent Director is not considered necessary. However, the chair of the Audit Committee effectively acts as the Senior Independent Director, leads the evaluation of the performance of the Chairman and is available to Directors and/or shareholders if they have concerns which cannot be resolved through discussion with the Chairman.

Application of the Code's Principles

Role of the Chairman

The Chairman is responsible for leading the Board, ensuring its effectiveness in all aspects of its role and promoting a culture of openness and debate by facilitating the effective contribution of Directors, setting the Board's agenda and for ensuring that adequate time is available for discussion of all agenda items, including strategy.

Role of the Board

The Board is collectively responsible for the long-term success of the Company.

The Board determines and monitors the Company's investment objectives and policy, and considers the future strategic direction of the Company. Matters specifically reserved for decision by the Board have been adopted. The Board is responsible for presenting a fair, balanced and understandable assessment of the Company's position and, where appropriate, its prospects in annual and half-yearly reports and other forms of public reporting. It monitors and reviews the shareholder base of the Company, marketing and shareholder communication strategies, and evaluates the performance of all service providers, with input from its Committees where appropriate. A procedure has been adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company, where appropriate. The Directors have access to the advice and services of the corporate Company Secretary through its appointed representative, who is responsible to the Board, inter alia, for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

Composition and Independence

The Board currently consists of five non-executive Directors. The biography of each of these Directors, including their length of service, are set out on the inside front cover of this report. The Board considers each of the Directors to be independent. The independence of each Director is considered on a continuing basis.

The Board has no executive Directors and has not appointed a Chief Executive Officer as it has contractually delegated responsibility for the management of its investment portfolio, the arrangement of custodial services and the provision of accounting and company secretarial services. The Company has no employees.

The Board is satisfied that it is of sufficient size with an appropriate balance of skills and experience, independence and knowledge of both the Company and the wider investment company industry, to enable it to discharge its respective duties and responsibilities effectively and that no individual or group of individuals is or has been, in a position to dominate decision making.

Board Committees and their Activities

The Board has delegated certain responsibilities and functions to Committees. Terms of Reference for each of these Committees, which are reviewed annually, are available on the Company's website at www.schroderukmidcapfund.com. Details of membership of the Committees at 30 September 2013 may be found on the inside front cover of this report and information regarding attendance at Committee Meetings during the year under review may be found on page 25.

Audit Committee

The role of the Audit Committee, chaired by Mrs Beagles, is to ensure that the Company maintains the highest standards of integrity in financial reporting and internal control. The Board considers each member of the Committee to be independent. The Board also considers that members of the Committee have recent and relevant financial experience.

To discharge its duties, the Committee met on three occasions during the year ended 30 September 2013 to consider: the contents of the annual and half-year report and accounts, and in particular that, taken as a whole,

Corporate Governance Statement

they are fair, balanced and understandable; the external Auditor's audit plan and year-end report; the management representation letter; the effectiveness of the audit process; recommendations on a tender of audit services; the independence and objectivity of the external Auditor; internal controls operating within the Manager and custodian; and to make recommendations to the Board on the reappointment of the external Auditor.

During its review of the Company's financial statements for the year ended 30 September 2013, the Audit Committee considered the following significant issues, including consideration of principal risks and uncertainties in light of the Company's activities, and issues communicated by the Auditor during their reporting:

Issue considered	How the issue was addressed
Overall accuracy of the half-year and annual report and accounts	• Consideration of draft annual and half-year reports, letter from the Manager in support of the letter of representation to the Auditor and the audit plan.
Calculation of investment management and performance fees	• Consideration of methodology used to calculate fees, matched against the criteria set out in the Investment Management Agreement.
Valuation and existence of holdings	• Review of portfolio holdings and assurance reports on controls from the Manager and Custodian.
Compliance with S1158 of the Corporation Tax Act 2010	• Consideration of compliance criteria.

Effectiveness of the External Audit Process

The Audit Committee evaluated the effectiveness of the external audit firm and the external audit it undertook prior to making a recommendation on their re-appointment at the forthcoming Annual General Meeting. This evaluation involved an assessment of the effectiveness of the Auditor's performance against agreed criteria including: qualification, expertise and resources, independence and the effectiveness of the audit process. As part of the evaluation, the Committee considered feedback from the Manager on the audit process and the year-end report from the Auditor, which details compliance with regulatory requirements, on safeguards that have been established, and on their own internal quality control procedures. As part of the process, the members of the Committee also met the Auditor without the Manager present. The results of an audit services tender, outlined below, were also taken into account.

The Auditor is required to rotate the Senior Statutory Auditor assigned to the Company every five years. This is the second year that the current Senior Statutory Auditor has been engaged.

Representatives of the Company's Auditor attend the Audit Committee meeting at which the draft Annual Report and Accounts are considered. Having reviewed the performance of the external Auditor as described above, the Committee considered it appropriate to recommend the firm's re-appointment. The Company's Auditor, Ernst & Young LLP, have expressed their willingness to remain in office and resolutions to re-appoint them as Auditor to the Company and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

Audit Services Tender

The Audit Committee determines whether the audit contract should be put to tender as part of the annual consideration of re-appointment of the Auditor. During the year under review, the Audit Committee, having recognised that the Company's external Auditor had been engaged since the Company's inception, and taking into account best practice on corporate governance, appointed a sub-committee, comprising the Chair of the Audit Committee and Mr Sanderson (the "Sub-Committee"), to lead an audit tender process and make a recommendation to the full Committee on the retention of the current Auditor, or to propose the appointment of an alternative audit firm.

The tender process was limited to the four largest audit firms to ensure that all prospective firms had the required depth of industry experience to cover the scope of the Company's annual audit. The tender process involved completion of a Request for Proposal Document by each audit firm. Once the submissions had been reviewed and evaluated by the Sub-Committee, all four candidate firms were invited to present their proposals to the Sub-Committee. The Sub-Committee evaluated the candidates' independence against key criteria including organisation, capability, and service delivery, audit quality and approach, team capability and cost effectiveness. The Sub-Committee recommended the retention of the services of the incumbent Auditor, which also agreed to hold to the annual fee for audit services at £17,000 (a reduction in the previous year's audit fee of £18,500) for a period of two years, and the decision was approved by the full Audit Committee.

Provision of Non-Audit Services

The Audit Committee has adopted a policy on the engagement of the Company's Auditor to supply non-audit services to the Company. No fees were payable to the Auditor for non-audit services during the year under review (2012: £nil). The Committee ensures that auditor objectivity and independence are safeguarded by requiring pre-

Corporate Governance Statement

approval by the Committee for all non-audit services provided to the Company, which takes into consideration confirmation from the Auditor that they have adequate arrangements in place to safeguard their objectivity and independence in carrying out such work, within the meaning of the regulatory and professional requirements to which they are subject; the fees to be incurred, relative to the audit fees; the nature of the non-audit services; and whether the Auditor's skills and experience make it the most suitable supplier of such services and whether they are in a position to provide them.

Nomination Committee
The role of the Nomination Committee, chaired by Mr Timms, is to consider and make recommendations to the Board on its composition so as to maintain an appropriate balance of skills, experience and diversity, including gender, and to ensure progressive refreshing of the Board. On individual appointments, the Committee leads the process and makes recommendations to the Board. The Board considers each member of the Committee to be independent.

Before the appointment of a new Director, the Nomination Committee prepares a description of the role and capabilities required for a particular appointment. While the Committee is dedicated to selecting the best person for the role, it aims to promote diversification and the Board also recognises the importance of diversity. The Board agrees that its members should overall possess a range of experience, knowledge, professional skills and personal qualities as well as independence necessary to provide effective oversight of the affairs of the Company. These qualities are taken into account in considering the appointment of a new Director. The Board does not consider it appropriate or to be in the interests of shareholders as a whole to establish prescriptive diversity targets.

When considering whether to replace a Director, the Company's policy on tenure is also taken into account. In light of this evaluation, the Nomination Committee considers a range of candidates sourced either from recommendations from within the Company or by using external consultants. The Chairman of the Nomination Committee is primarily responsible for interviewing suitable candidates and a recommendation is made to the Board for final approval.

As noted below, the Committee considered the appointment of a new non-executive Director during the year under review. The Committee utilised the services of an external search consultancy, Trust Associates, in the selection of suitable candidates for a new Director. Trust Associates has no other connection with the Company.

To discharge its duties, the members of the Committee met on two occasions during the year ended 30 September 2013 to consider the composition and balance of the Board, Board succession planning and the selection of suitable candidates for a new Director, subsequent to which the appointment of a new non-executive Director, Mrs Clare Dobie, was recommended to the Board for approval.

Management Engagement Committee
The role of the Management Engagement Committee, chaired by Mr Timms, is to ensure that the Company's Investment Manager remains suitable to manage the portfolio, that the management contract is competitive and reasonable for the shareholders, that the Company maintains appropriate administrative and company secretarial support and to review services provided by third parties. In addition, the Committee reviews fees paid to Directors and makes recommendations to the Board in this regard. The Board considers each member of the Committee to be independent.

To discharge its duties, the Committee met on one occasion during the year ended 30 September 2013 and considered the performance and suitability of the Investment Manager, the terms and conditions of the management contract, services provided by third parties and the fees paid to Directors.

Tenure
The Directors have adopted a policy on tenure that is considered appropriate for an investment company. The Board does not consider that length of service, by itself, leads to a closer relationship with the Investment Manager, or that it necessarily affects a Director's independence of character or judgement. Therefore, the independence of Directors will continue to be assessed on a case by case basis. In order to give shareholders the opportunity to endorse this policy, and in accordance with the provisions of the Code, any Director who has served for more than nine years will be subject to annual re-election by shareholders.

Induction and Training
The Board has adopted a full, formal and tailored induction programme for new Directors, which is administered by the Company Secretary. Directors are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and its internal controls. Regulatory and legislative changes affecting Directors' responsibilities are advised to the Board as they arise along with changes to best practice. Advisers to the Company also prepare reports for the Board from time to time. In addition, the Chairman reviews the training and development needs of each Director annually, as part of the evaluation process outlined below.

Board Evaluation
The Board has adopted a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors. The last evaluation took place in July 2013. The evaluation takes place in two parts. Firstly, the evaluation of individual Directors is led by the Chairman, and the evaluation of the Chairman's performance is led

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by the chair of the Audit Committee. Secondly, the Board evaluates its own performance and that of its Committees. The Directors meet at least once a year without the Chairman present and the chair of the Audit Committee chairs this meeting.

Evaluation is conducted utilising a questionnaire combined with one to one meetings if appropriate. The Board has developed criteria for use at the evaluation, which focusses on the individual contribution to the Board and its Committees made by each Director, an analysis of the time which Directors are able to allocate to the Company to discharge their duties effectively and the responsibilities, composition and agenda of the Committees and of the Board itself. The evaluation also focuses on the operation of the Board as a whole and its diversity, taking into account factors such as the overall skills, knowledge and experience possessed by its members and their knowledge of the Company and the significant issues which it faces.

The evaluation of the Chairman utilises a specifically designed questionnaire, which is completed by each Director, and the chair of the Audit Committee discusses the aggregated feedback with the other Directors, followed by a one to one discussion with the Chairman himself.

Meetings and Attendance

The Board meets at least four times each year and in addition, meets specifically to discuss strategy once each year. Additional meetings are also arranged as required and regular contact between Directors, the Investment Manager and the Company Secretary is maintained throughout the year. Representatives of the Investment Manager and Company Secretary attend each meeting and other advisers also attend when requested to do so by the Board. Attendance at the scheduled Board meetings and at Committee meetings held during the year under review was as follows:

Director	Board	Audit Committee	Nomination Committee	Management Engagement Committee
Peter Timms	5/5	3/3	1/1	2/2
Rachel Beagles	5/5	3/3	1/1	2/2
Clare Dobie	1/1	N/A	N/A	N/A
Chris Jones	5/5	3/3	1/1	1/1
Robert Rickman	5/5	3/3	1/1	2/2
Eric Sanderson	5/5	3/3	1/1	2/2

The Board is satisfied that each of the Chairman and the other non-executive Directors commits sufficient time to the affairs of the Company to fulfil their duties as Directors.

Information Flows

The Chairman ensures that all Directors receive in a timely manner relevant management, regulatory and financial information and are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and internal controls. The Board receives and considers reports regularly from the Investment Manager and other key advisers and ad hoc reports and information are supplied to the Board as required.

Directors' and Officers' Liability Insurance

During the year, the Company has maintained insurance cover for its Directors and Officers under a Directors' and Officers' liability insurance policy.

Directors' Indemnities

The Company provides a Deed of Indemnity to each Director to the extent permitted by United Kingdom law whereby the Company is able to indemnify such Director against any liability incurred in proceedings in which the Director is successful, and for costs in defending a claim brought against the Director for breach of duty where the Director acted honestly and reasonably. The Deeds of Indemnity were in place throughout the year under review, as appropriate.

Conflicts of Interest

The Board has approved a policy on Directors' conflicts of interest. Under this policy, Directors are required to disclose all actual and potential conflicts of interest to the Board as they arise for consideration and approval. The Board may impose restrictions or refuse to authorise such conflicts if deemed appropriate.

Substantial Shareholders

Interests of 3% or more of the voting rights attaching to the Company's issued share capital, which have been notified to the Company, are set out in the Report of the Directors on page 15.

Relations with Shareholders

The Board believes that the maintenance of good relations with both institutional and retail shareholders is important for the long-term prospects of the Company. It has, since its launch, sought engagement with investors. The Chairman, and other Directors where appropriate, are available to discuss governance and strategy with major

Corporate Governance Statement

shareholders and the Chairman ensures communication of shareholders' views to the Board. The Board receives feedback on the views of shareholders from its corporate broker and the Investment Manager.

The Board believes that the Annual General Meeting provides an appropriate forum for investors to communicate with the Board, and encourages participation. The Annual Report and Accounts is, when possible, sent to shareholders at least 20 business days before the Annual General Meeting. The Annual General Meeting is typically attended by the full Board of Directors and proceedings include a presentation by the Investment Manager. There is an opportunity for individual shareholders to question the chairs of the Board, Audit and Management Engagement Committees at the Annual General Meeting. Details of proxy votes received in respect of each resolution are made available to shareholders at the meeting and on the Company's website as soon as practicable after the meeting.

The Board believes that the Company's policy of reporting to shareholders as soon as possible after the Company's year-end, and holding the earliest possible Annual General Meeting, is valuable. The Notice of Meeting on page 43 sets out the business of the Meeting. Shareholders wishing to write to the Chairman should do so through the Company Secretary at 31 Gresham Street, London EC2V 7QA.

Exercise of Voting Powers and the UK Stewardship Code

The Company has delegated responsibility for voting to Schroders which votes in accordance with its corporate governance policy. A copy of this policy is available on the Company's website, www.schroderukmidcapfund.com. The Board considers the UK Stewardship Code to be an important tool in shareholder engagement. Schroders' compliance with the principles of the UK Stewardship Code, as revised in September 2012, is reported on its website, www.schroders.com.

Internal Control

The Code requires the Board at least annually to conduct a review of the adequacy of the Company's systems of internal control, including its risk management system, and report to shareholders that it has done so. The Board has undertaken a full review of all the aspects of the Turnbull Guidance, as revised in October 2005 (the "Turnbull Guidance") under which the Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board has approved a detailed Risk Map identifying significant strategic, investment-related, operational and service provider-related risks and has in place a monitoring system to ensure that risk management and all aspects of internal control are considered on a regular basis, and fully reviewed at least annually. The monitoring system assists in determining the nature and extent of the significant risks the Board is willing to take in achieving its strategic objectives.

The Board believes that the key risks identified and the implementation of a system to identify, evaluate and manage these risks are based upon and relevant to the Company's business as an investment trust. Risk assessment, which has been in place throughout the financial year and up to the date of this report, includes consideration of the scope and quality of the systems of internal control, including any whistleblowing policies where appropriate, adopted by the Investment Manager and other major service providers, and ensures regular communication of the results of monitoring by third parties to the Board, the incidence of significant control failings or weaknesses that have been identified at any time and the extent to which they have resulted in unforeseen outcomes or contingencies that may have a material impact on the Company's performance or condition. No significant control failings or weaknesses were identified during the course of the year and up to the date of this report, from the Board's on-going risk assessment.

Although the Board believes that it has a robust framework of internal control in place this can provide only reasonable and not absolute assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk.

The Company does not have an internal audit function as it employs no staff and contracts to third parties most of its operations. The Board will continue to monitor its system of internal control and will continue to take steps to embed the system of internal control and risk management into the operations of the Company. In doing so, the Audit Committee will review at least annually whether a function equivalent to an internal audit is needed.

Independent Auditor's Report

To the members of Schroder UK Mid Cap Fund plc

We have audited the financial statements of Schroder UK Mid Cap Fund plc for the year ended 30 September 2013 which comprise the Income Statement, the Reconciliation of Movement in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages 15 and 16, the directors are responsible for the preparation of the Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect, or materially inconsistent, based on the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2013 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our assessment of risks of material misstatement

We identified the following risks of material misstatement that had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team:

- the valuation of the investments; and
- the calculation of management and performance fees is in accordance with the investment management agreement between the Company and its Manager.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of misstatements on our audit and on the financial statements and in forming our audit opinion.

We determined materiality for the Company to be £1.61 million which is 1% of total equity shareholders' funds. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company should be 75% of materiality, namely £1.21 million. Our objective in adopting this approach was to ensure that total uncorrected and undetected audit differences in all accounts did not exceed our materiality level. Given the importance of the distinction between revenue and capital for the Company we have also applied a separate performance materiality of £0.16m for the Income Statement, being 5% of the return on ordinary activities before taxation.

Independent Auditor's Report

We have agreed with the Audit Committee to report all audit differences in excess of £0.08 million, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit
Our response to the risks identified above was as follows:

- we agreed the year end prices for all Level 1 investments to an independent source; and
- we agreed the calculation inputs to source data and independently recalculated management fee and performance fee calculations for the year with reference to contractual arrangements.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 16, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Amarjit Singh (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
London

18 December 2013

Income Statement

for the year ended 30 September 2013

	Note	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Gains on investments held at fair value through profit or loss	2	–	44,409	44,409	–	24,195	24,195
Income from investments	3	3,619	132	3,751	3,280	14	3,294
Other interest receivable and similar income		154	–	154	23	–	23
Gross return		3,773	44,541	48,314	3,303	24,209	27,512
Investment management fee	4	(311)	(725)	(1,036)	(82)	(736)	(818)
VAT recoverable	4	106	69	175	–	–	–
Performance fee	4	–	(807)	(807)	–	(159)	(159)
Administrative expenses	5	(424)	–	(424)	(411)	–	(411)
Net return before finance costs and taxation		3,144	43,078	46,222	2,810	23,314	26,124
Finance costs	6	(43)	(99)	(142)	(21)	(189)	(210)
Net return on ordinary activities before taxation		3,101	42,979	46,080	2,789	23,125	25,914
Taxation on ordinary activities	7	(5)	–	(5)	–	–	–
Net return on ordinary activities after taxation		3,096	42,979	46,075	2,789	23,125	25,914
Return per share	9	8.57p	118.91p	127.48p	7.72p	63.98p	71.70p

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Total column includes all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ("STRGL"). For this reason a STRGL has not been presented.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The notes on pages 33 to 42 form an integral part of these accounts.

Reconciliation of Movements in Shareholders' Funds

for the year ended 30 September 2013

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2011	9,036	13,971	220	2,184	15,477	50,787	3,594	95,269
Net return on ordinary activities	–	–	–	–	–	23,125	2,789	25,914
Dividend paid in the year	–	–	–	–	–	–	(2,241)	(2,241)
At 30 September 2012	9,036	13,971	220	2,184	15,477	73,912	4,142	118,942
Net return on ordinary activities	–	–	–	–	–	42,979	3,096	46,075
Dividends paid in the year	–	–	–	–	–	–	(3,278)	(3,278)
At 30 September 2013	**9,036**	**13,971**	**220**	**2,184**	**15,477**	**116,891**	**3,960**	**161,739**

The notes on pages 33 to 42 form an integral part of these accounts.

Balance Sheet

at 30 September 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	**164,359**	121,885
Current assets			
Debtors	11	**2,907**	2,430
Cash and short term deposits		**6,737**	5,636
		9,644	8,066
Current liabilities			
Creditors: amounts falling due within one year	12	**(12,264)**	(11,009)
Net current liabilities		**(2,620)**	(2,943)
Net assets		**161,739**	118,942
Capital and reserves			
Called-up share capital	13	**9,036**	9,036
Share premium	14	**13,971**	13,971
Capital redemption reserve	14	**220**	220
Merger reserve	14	**2,184**	2,184
Share purchase reserve	14	**15,477**	15,477
Capital reserves	14	**116,891**	73,912
Revenue reserve	14	**3,960**	4,142
Total equity shareholders' funds		**161,739**	118,942
Net asset value per share	15	**447.49p**	329.08p

These accounts were approved and authorised for issue by the Board of Directors on 18 December 2013 and signed on its behalf by:

Peter Timms
Chairman

The notes on pages 33 to 42 form an integral part of these accounts.

Registered in Scotland
Company Number: SC082551

Cash Flow Statement

for the year ended 30 September 2013

	Note	2013 £'000	2012 £'000
Net cash inflow from operating activities	**16**	**2,923**	1,709
Servicing of finance			
Interest paid		**(173)**	(217)
Net cash outflow from servicing of finance		**(173)**	(217)
Taxation			
Taxation paid		**(5)**	–
Investment activities			
Purchases of investments		**(55,742)**	(34,197)
Sales of investments		**57,244**	33,227
Special dividends received allocated to capital		**132**	14
Net cash inflow/(outflow) from investment activities		**1,634**	(956)
Dividends paid		**(3,278)**	(2,241)
Net cash inflow/(outflow) before financing		**1,101**	(1,705)
Financing		**–**	–
Net cash inflow/(outflow) in the year	**17**	**1,101**	(1,705)

The notes on pages 33 to 42 form an integral part of these accounts.

Notes to the Accounts

for the year ended 30 September 2013

1. Accounting policies

(a) Basis of accounting

The accounts are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (the "SORP") issued by the Association of Investment Companies in January 2009. All of the Company's operations are of a continuing nature.

Sterling is the Company's functional currency and the presentational currency of the accounts.

The policies applied in these accounts are consistent with those applied in the preceding year.

The accounts have been prepared on a going concern basis. The disclosures on going concern in the Report of the Directors on page 16 form part of the financial statements. The principal accounting policies adopted are set out below.

(b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are designated by the Company as "held at fair value through profit or loss". They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets.

All purchases and sales are accounted for on a trade date basis.

(c) Accounting for reserves

Gains and losses on sales of investments and the management fee, performance fee and finance costs allocated to capital, are included in the Income Statement and in capital reserves. Increases and decreases in the valuation of investments held at the year end, are included in the Income Statement and in capital reserves within "Investment holding gains and losses".

(d) Income

Dividends receivable are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

UK dividends are included net of tax credits.

Where the Company has elected to receive dividends in the form of additional shares ("stock dividends") rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Underwriting commission is included in revenue on a receipts basis. Underwriting commission is recognised in revenue where it relates to shares that the Company is not required to take up. Where the Company is required to take up a proportion of the shares underwritten, the same proportion of commission received is deducted from the cost of the shares taken up, with the balance taken to revenue.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to the revenue column of the Income Statement with the following exceptions:

- With effect from 1 October 2012 the Company allocates 70% of the management fee to capital and the remaining 30% to revenue. It had previously allocated 90% of the management fee to capital and 10% to revenue. It remains the Board's determination that the capital return should reflect the indirect costs of earning capital returns and it monitors the assumptions that underpin the basis of allocation. It concluded from its most recent review that a lesser proportion of the Company's long term investment returns will come from capital than was previously expected. The effect of this change is to reduce the net revenue return after taxation by £207,000 and to increase the net capital return by the same amount. Total net return after taxation is unaffected by the change. The comparative figures have not been restated.
- Any performance fee is allocated 100% to capital
- Expenses incidental to the purchase of an investment are included within the cost of the investment and those incidental to the sale are deducted from the sale proceeds. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 10 on page 37.

(f) Finance costs

Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest method and in accordance with the provisions of FRS 25 "Financial Instruments: Presentation" and FRS 26 "Financial Instruments: Measurement".

With effect from 1 October 2012 the Company has allocated 70% of finance costs to capital and the remaining 30% to revenue. The Company had previously allocated 90% of finance costs to capital and 10% to revenue. It remains the Board's determination that the capital return should reflect the indirect costs of earning capital returns and it monitors the assumptions that underpin the basis of allocation. It concluded from its most recent review that a lesser proportion of the Company's long term investment returns will come from capital than was previously expected. The effect of this change is to reduce the net revenue return after taxation by £29,000 and to increase the net capital return by the same amount. Total net return after taxation is unaffected by the change. The comparative figures have not been restated.

Notes to the Accounts

(g) Financial instruments
Cash and short term deposits may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Other debtors and creditors do not carry any interest, are short term in nature and are accordingly stated at nominal value, with debtors reduced by appropriate allowances for estimated irrecoverable amounts.

Bank loans and overdrafts are initially measured at fair value and subsequently measured at amortised cost. They are recorded at the proceeds received net of direct issue costs.

(h) Taxation
Current tax is provided at the amounts expected to be received or paid.

Deferred tax is accounted for in accordance with FRS 19: "Deferred Tax".

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which those timing differences can be utilised.

Tax relief is allocated to expenses charged to the capital column of the Income Statement on the "marginal basis". On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is transferred to the capital column.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

(i) Value added tax ("VAT")
Expenses are disclosed inclusive of the related irrecoverable VAT.

(j) Dividends payable
In accordance with FRS 21: "Events after the Balance Sheet Date", dividends payable are included in the accounts in the year in which they are paid.

2. Gains on investments held at fair value through profit or loss

	2013 £'000	2012 £'000
Gains on sales of investments based on historic cost	**15,129**	3,002
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	**(5,215)**	(138)
Gains on sales of investments based on the carrying value at the previous balance sheet date	**9,914**	2,864
Net movement in investment holding gains and losses	**34,495**	21,331
Gains on investments held at fair value through profit or loss	**44,409**	24,195

3. Income

	2013 £'000	2012 £'000
Revenue:		
Income from investments:		
UK dividends	**3,565**	3,116
UK property income distributions	**54**	61
Stock dividends	**–**	103
	3,619	3,280
Other interest receivable and similar income:		
Deposit interest	**20**	23
VAT reclaim interest	**134**	–
	154	23
Total revenue	**3,773**	3,303
Capital:		
Special dividends allocated to capital	**132**	14

Notes to the Accounts

4. Investment management and performance fees

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Management fee[1]	**311**	**725**	**1,036**	82	736	818
Performance fee[1]	**–**	**807**	**807**	–	159	159
VAT recoverable[2]	**(106)**	**(69)**	**(175)**	–	–	–
	205	**1,463**	**1,668**	82	895	977

[1] The bases for calculating the investment management fee and performance fee are set out in the Report of the Directors on page 15.

[2] VAT recoverable is in respect of the period from 1 January 1990 to 4 December 1996.

5. Administrative expenses

	2013 £'000	2012 £'000
Administration expenses	**193**	168
Directors' fees	**97**	110
Secretarial fee	**114**	111
Auditor's remuneration for audit services[1]	**20**	22
	424	411

[1] Includes £3,000 (2012: £4,000) irrecoverable VAT.

6. Finance costs

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Interest on bank loans and overdrafts	**43**	**99**	**142**	21	189	210

7. Taxation on ordinary activities

(a) Analysis of charge in the year:

	2013 £'000	2012 £'000
Irrecoverable overseas tax	**5**	–
Current tax charge for the year	**5**	–

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2012: lower) than the Company's applicable rate of corporation tax for the year of 23.5% (2012: 25.0%).

The factors affecting the current tax charge for the year are as follows:

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Net return on ordinary activities before taxation	**3,101**	**42,979**	**46,080**	2,789	23,125	25,914
Net return on ordinary activities before taxation multiplied by the Company's applicable rate of corporation tax for the year of 23.5% (2012: 25.0%)	**729**	**10,100**	**10,829**	697	5,781	6,478
Effects of:						
Capital returns on investments	**–**	**(10,436)**	**(10,436)**	–	(6,049)	(6,049)
Income not chargeable to corporation tax	**(850)**	**(31)**	**(881)**	(803)	(4)	(807)
Unrelieved expenses	**121**	**367**	**488**	106	272	378
Irrecoverable overseas tax	**5**	**–**	**5**	–	–	–
Current tax charge for the year	**5**	**–**	**5**	–	–	–

Notes to the Accounts

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £4,079,000 (2012: £4,212,000) based on a prospective corporation tax rate of 20.0% (2012: 23.0%). The reduction in the standard rate of corporation tax was substantively enacted in July 2013 and is effective from 1 April 2015.

The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the accounts.

Given the Company's intention to meet the conditions required to retain its status as an Investment Trust Company, no provision has been made for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

8. Dividends

(a) Dividends paid and declared

	2013 £'000	2012 £'000
2012 final dividend paid of 6.82p (2011: 6.20p)	**2,465**	2,241
Interim dividend of 2.25p (2012: Nil)	**813**	–
Total dividends paid in the year	**3,278**	2,241

	2013 £'000	2012 £'000
2013 final dividend declared of 5.45p (2012: 6.82p)	**1,970**	2,465

During the year, the Board determined that henceforth, the Company will pay an interim dividend in addition to a final dividend and that the quantum of the final dividend will reflect

this.

(b) Dividends for the purposes of Section 1158 of the Corporation Tax Act 2010 ("Section 1158")

The requirements of Section 1158 are considered on the basis of dividends declared in respect of the financial year as shown below. The revenue available for distribution by way of dividend for the year is £3,096,000 (2012: £2,789,000).

	2013 £'000	2012 £'000
Interim dividend of 2.25p (2012: Nil)	**813**	–
Final dividend of 5.45p (2012: 6.82p)	**1,970**	2,465
	2,783	2,465

9. Return per share

	2013 £'000	2012 £'000
Revenue return	**3,096**	2,789
Capital return	**42,979**	23,125
Total return	**46,075**	25,914
Weighted average number of Ordinary shares in issue during the year	**36,143,690**	36,143,690
Revenue return per share	**8.57p**	7.72p
Capital return per share	**118.91p**	63.98p
Total return per share	**127.48p**	71.70p

Notes to the Accounts

10. Investments held at fair value through profit or loss

	2013 £'000	2012 £'000
Opening book cost	**97,539**	94,838
Opening investment holding gains	**24,346**	3,153
Opening valuation	**121,885**	97,991
Purchases at cost	**55,735**	34,754
Sales proceeds	**(57,670)**	(35,055)
Gains on sales of investments based on the carrying value at the previous balance sheet date	**9,914**	2,864
Net movement in investment holding gains and losses	**34,495**	21,331
Closing valuation	**164,359**	121,885
Closing book cost	**110,733**	97,539
Closing investment holding gains	**53,626**	24,346
Total investments held at fair value through profit or loss	**164,359**	121,885

All investments are listed on a recognised stock exchange.

During the year, prior year investment holding gains amounting to £5,215,000 have been transferred to gains and losses on sales of investments as disclosed in note 14 on page 38.

The following transaction costs, comprising stamp duty and brokerage commission were incurred during the year:

	2013 £'000	2012 £'000
On acquisitions	**341**	211
On disposals	**74**	58
	415	269

11. Debtors

	2013 £'000	2012 £'000
Securities sold awaiting settlement	**2,386**	1,960
Dividends and interest receivable	**515**	457
Other debtors	**6**	13
	2,907	2,430

The Directors consider that the carrying amount of debtors approximates to their fair value.

12. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Bank loan	**10,000**	10,000
Securities purchased awaiting settlement	**507**	514
Performance fee payable	**807**	159
Other creditors and accruals	**950**	336
	12,264	11,009

The bank loan comprises £10 million drawn down on the Company's £15 million revolving credit facility with Scotiabank Europe PLC, which has been extended to July 2014. The facility is unsecured but is subject to covenants and restrictions which are customary for a facility of this nature, all of which have been met. Further details of the credit facility are given in note 20 on page 40.

The bank loan at the prior year end represented £10 million drawn down on the preceding facility with Scotiabank.

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

Notes to the Accounts

13. Called-up share capital

	2013 £'000	2012 £'000
Ordinary shares allotted, called-up and fully paid: 36,143,690 (2012: 36,143,690) shares of 25p each	**9,036**	9,036

14. Reserves

	Share premium £'000	Capital redemption reserve £'000	Merger reserve[1] £'000	Share purchase reserve[2] £'000	Capital reserves: Gains and losses on sales of investments £'000	Capital reserves: Investment holding gains and losses £'000	Revenue reserve £'000
Opening balance	13,971	220	2,184	15,477	49,566	24,346	4,142
Gains on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	–	9,914	–	–
Net movement in investment holding gains and losses	–	–	–	–	–	34,495	–
Transfer on disposal of investments	–	–	–	–	5,215	(5,215)	–
Special dividend allocated to capital	–	–	–	–	132	–	–
Management fee and finance costs allocated to capital	–	–	–	–	(824)	–	–
VAT recovered on management fee and allocated to capital	–	–	–	–	69	–	–
Performance fee	–	–	–	–	(807)	–	–
Dividends paid	–	–	–	–	–	–	(3,278)
Retained revenue for the year	–	–	–	–	–	–	3,096
Closing balance	**13,971**	**220**	**2,184**	**15,477**	**63,265**	**53,626**	**3,960**

[1] The "Merger reserve" represents the premium over the nominal value of shares issued following a merger in 1989.

[2] The "Share purchase reserve" is for the purpose of financing share buy-backs and was created following the cancellation of the "Warrant reserve" in 2003.

15. Net asset value per share

	2013	2012
Net assets attributable to Ordinary shareholders (£'000)	**161,739**	118,942
Ordinary shares in issue at the year end	**36,143,690**	36,143,690
Net asset value per share	**447.49p**	329.08p

16. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	2013 £'000	2012 £'000
Total return on ordinary activities before finance costs and taxation	**46,222**	26,124
Less capital return on ordinary activities before finance costs and taxation	**(43,078)**	(23,314)
Stock dividends received as income	**–**	(103)
(Increase)/decrease in accrued dividends and interest receivable	**(58)**	38
Decrease/(increase) in other debtors	**7**	(1)
Increase in accrued expenses	**645**	26
Management fee charged to capital	**(656)**	(736)
Performance fee paid	**(159)**	(325)
Net cash inflow from operating activities	**2,923**	1,709

Notes to the Accounts

17. Analysis of changes in net debt

	At 30 September 2012 £'000	Cash flow £'000	**At 30 September 2013 £'000**
Cash and short term deposits	5,636	1,101	**6,737**
Bank loan	(10,000)	–	**(10,000)**
Net debt	(4,364)	1,101	**(3,263)**

18. Transactions with the Manager

The Company has appointed Schroder Investment Management Limited (the "Manager"), a wholly owned subsidiary of Schroders plc, to provide investment management, accounting and company secretarial services. If the Company invests in funds managed or advised by the Manager or any of its associated companies, those funds are excluded from the assets used for the purposes of the management fee calculation and therefore attract no fee. Under the terms of the Investment Management Agreement, the Manager is also entitled to receive a secretarial fee and a performance fee. Details of these calculations are given in the Report of the Directors on page 15.

The management fee payable in respect of the year ended 30 September 2013 amounted to £1,036,000 (2012: £818,000) of which £801,000 (2012: £220,000) was outstanding at the year end. The secretarial fee payable for the year amounted to £114,000 (2012: £111,000) including VAT, of which £85,000 (2012: 40,000) was outstanding at the year end. A performance fee amounting to £807,000 (2012: £159,000) is payable for the year and the whole of this amount (2012: £159,000) was outstanding at the year end.

No Director of the Company served as a director of Schroder Investment Management Limited, or any member of the Schroders Group, at any time during the year.

19. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments that are held at fair value comprise its investment portfolio.

The investments are categorised into a hierarchy consisting of the following three levels:

Level 1 – valued using quoted prices in active markets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

The Company's policy on the valuation of investments is given in note 1(b) on page 33.

At 30 September 2013, the Company's investment portfolio comprised entirely Level 1 investments (2012: same).

There have been no transfers between Levels 1, 2 or 3 during the year (2012: nil).

20. Financial instruments' exposure to risk and risk management policies

The Company's investment objective is to invest in Mid Cap equities with the aim of providing a total return in excess of the FTSE 250 (ex-Investment Companies) Index. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial risks include market risk (comprising interest rate risk and other price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Board coordinates the Company's risk management policy. The Company has no significant exposure to foreign exchange risk.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Company's classes of financial instruments are as follows:

– investments in shares which are held in accordance with the Company's investment objective;

– short term debtors, creditors and cash arising directly from its operations; and

– a Sterling credit facility with Scotiabank, the purpose of which is to assist in financing the Company's operations.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises two elements – interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these two elements of market risk is given in parts (i) and (ii) to this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

Notes to the Accounts

(i) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate borrowings when interest rates are re-set.

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Board's policy is to permit gearing up to 25% where gearing is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the Company borrows on the credit facility. However, amounts drawn down on this facility are for short term periods and therefore exposure to interest rate risk is not significant.

Interest rate exposure

The exposure of financial assets and financial liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below:

	2013 £'000	2012 £'000
Exposure to floating interest rates:		
Cash and short term deposits	**6,737**	5,636
Creditors: amounts falling due within one year – borrowings on the credit facility	**(10,000)**	(10,000)
Total exposure	**(3,263)**	(4,364)

Interest receivable on cash balances is at a margin below LIBOR (2012: same).

During the year, the Company extended its £15 million revolving credit facility with Scotiabank to July 2014. Under the terms of this facility, interest is payable at a rate of LIBOR as quoted in the market for the loan period plus a margin, plus Mandatory Costs, which are the lender's costs of complying with certain regulatory requirements of the Bank of England. At 30 September 2013, the Company had drawn down £10 million on this facility at an interest rate of 1.35% per annum. The loan at the prior year end represented £10 million drawn down on the preceding facility with Scotiabank.

The above year end amounts are not representative of the exposure to interest rates during the year as the level of cash balances and drawings on the credit facility have fluctuated. The maximum and minimum exposure during the year was as follows:

	2013 £'000	2012 £'000
Maximum debit interest rate exposure during the year – net loan balances	**(8,339)**	(5,870)
Maximum credit/minimum debit interest rate exposure during the year – net cash/(loan) balances	**223**	(571)

Interest rate sensitivity

The following table illustrates the sensitivity of return after taxation for the year and net assets to a 0.5% (2012: 0.5%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date with all other variables held constant.

	2013		2012	
	0.5% increase in rate £'000	**0.5% decrease in rate £'000**	0.5% increase in rate £'000	0.5% decrease in rate £'000
Income statement – return after taxation				
Revenue return	**19**	**(19)**	23	(23)
Capital return	**(35)**	**35**	(45)	45
Total return after taxation	**(16)**	**16**	(22)	22
Net assets	**(16)**	**16**	(22)	22

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances and drawings on the credit facility.

(ii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk, which may affect the value of investments.

Management of market price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objective and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

Notes to the Accounts

Market price risk exposure

The Company's total exposure to changes in market prices at 30 September comprises the following:

	2013 £'000	2012 £'000
Investments held at fair value through profit or loss	**164,359**	121,885

The above data is broadly representative of the exposure to market price risk during the year.

Concentration of exposure to market price risk

An analysis of the Company's investments is given on pages 9 and 10. This shows that the portfolio principally comprises investments listed in the UK. Accordingly there is a concentration of exposure to that country. However it should be noted that an investment may not be entirely exposed to the economic conditions in its country of listing.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 20% (2012: 20%) in the fair values of the Company's investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's exposure through its investments and includes the impact on the management fee, but assumes that all other variables are held constant.

	2013		2012	
	20% increase in fair value £'000	**20% decrease in fair value £'000**	20% increase in fair value £'000	20% decrease in fair value £'000
Income statement – return after taxation				
Revenue return	**(59)**	**59**	(15)	15
Capital return	**32,734**	**(32,734)**	24,246	(24,246)
Total return after taxation and net assets	**32,675**	**(32,675)**	24,231	(24,231)
Percentage change in net asset value	**20.2**	**(20.2)**	20.4	(20.4)

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of a credit facility.

The Board's policy is for the Company to remain fully invested in normal market conditions and that the credit facility be used to manage working capital requirements and to gear the Company as appropriate.

Liquidity risk exposure

Contractual maturities of financial liabilities, based on the earliest date on which payment can be required are as follows:

	2013 Three months or less £'000	2012 Three months or less £'000
Creditors: amounts falling due within one year		
Bank loan – including interest	**10,011**	10,044
Securities purchased awaiting settlement	**507**	514
Performance fee payable and other creditors and accruals	**1,752**	459
	12,270	11,017

(c) Credit risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligations under that transaction could result in loss to the Company.

Management of credit risk

This risk is not significant and is managed as follows:

Portfolio dealing

The Company invests in markets that operate a "Delivery Versus Payment" settlement process which mitigates the risk of losing the principal of a trade during settlement. The Manager continuously monitors dealing activity to ensure best execution, which involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparties must be pre-approved by the Manager's credit committee.

Notes to the Accounts

Cash

Counterparties are subject to daily credit analysis by the Manager. Cash balances will only be deposited with reputable banks with high quality credit ratings.

Exposure to the Custodian

JPMorgan Chase is the Custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets and are therefore protected from creditors in the event that JPMorgan Chase were to cease trading.

Credit risk exposure

The following amounts shown in the Balance Sheet, represent the maximum exposure to credit risk at the current and comparative year end.

	2013 Balance sheet £'000	2013 Maximum exposure £'000	2012 Balance sheet £'000	2012 Maximum exposure £'000
Current assets				
Debtors – securities sold awaiting settlement, dividends and interest receivable and other debtors	**2,907**	**2,901**	2,430	2,417
Cash and short term deposits	**6,737**	**6,737**	5,636	5,636
	9,644	**9,638**	8,066	8,053

No debtors are past their due date and none have been written down or deemed to be impaired.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either carried in the balance sheet at fair value or the balance sheet amount is a reasonable approximation of fair value.

21. Capital management policies and procedures

The Company's objectives, policies and processes for managing capital are unchanged from the preceding year.

The Company's debt and capital structure comprises the following:

	2013 £'000	2012 £'000
Debt		
Bank loan	**10,000**	10,000
Equity		
Called-up share capital	**9,036**	9,036
Reserves	**152,703**	109,906
	161,739	118,942
Total debt and equity	**171,739**	128,942

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise the capital return to its equity shareholders through an appropriate level of gearing.

The Board's policy is to permit gearing up to 25% where gearing is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

	2013 £'000	2012 £'000
Borrowings used for investment purposes, less cash	**3,263**	4,364
Net assets	**161,739**	118,942
Gearing	**2.0%**	3.7%

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back equity shares, which takes into account the share price discount;
- the opportunities for issues of new shares; and
- the amount of dividends to be paid, in excess of that which is required to be distributed.

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Schroder UK Mid Cap Fund plc will be held at 12.00 noon on Friday, 31 January 2014 at 31 Gresham Street, London EC2V 7QA, to consider and, if thought fit, to pass the following resolutions, of which resolutions 1 to 11 will be proposed as Ordinary Resolutions and resolutions 12 and 13 will be proposed as Special Resolutions:

1. To receive the Report of the Directors and the audited Accounts for the year ended 30 September 2013.
2. To approve a final dividend of 5.45 pence per share for the year ended 30 September 2013.
3. To approve the Company's Directors' Remuneration Policy.
4. To approve the Directors' Remuneration Report.
5. To elect Mrs Clare Dobie as a Director of the Company.
6. To re-elect Mr Peter Timms as a Director of the Company.
7. To re-elect Mr Robert Rickman as a Director of the Company.
8. To re-elect Mr Eric Sanderson as a Director of the Company.
9. To re-appoint Ernst & Young LLP as Auditor of the Company.
10. To authorise the Directors to determine the remuneration of Ernst & Young LLP as Auditor of the Company.
11. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:
    "That the Directors be and are hereby generally and unconditionally authorised, in substitution for all subsisting authorities in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot relevant securities (as defined in that Section) up to an aggregate nominal amount of £451,796 (representing 5% of the share capital in issue on 18 December 2013); provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company but so that this authority shall enable the Company to make offers or agreements before such expiry which would or might require relevant securities to be allotted after such expiry."
12. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:
    "That, subject to the passing of Resolution 11 set out above, the Directors be and are hereby empowered, pursuant to Section 571 of the Act, to allot equity securities (including any shares held in Treasury) (as defined in Section 560 of the Act) pursuant to the authority given by Resolution 11 above and/or where such allotment constitutes an allotment of equity securities by virtue of Section 560(2) of the Act as if Section 560(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £451,796 (representing 5% of the aggregate nominal amount of the share capital in issue on 18 December 2013); and provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry."
13. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:
    "That the Company be and is hereby generally and unconditionally authorised in accordance with Section 693 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company ("Shares"), at whatever discount the prevailing market price represents to the prevailing net asset value per share provided that:
    (a) the maximum number of Shares hereby authorised to be purchased shall be 5,417,939, representing 14.99% of the issued share capital as at 18 December 2013;
    (b) the minimum price which may be paid for a share is 25p;
    (c) the maximum price which may be paid for a share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for a share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased, and (ii) the higher of the price of the last independent trade in the shares of that class and the highest then current independent bid for the shares of that class on the London Stock Exchange;
    (d) purchases may only be made pursuant to this authority if the shares are (at the date of the proposed purchase) trading on the London Stock Exchange at a discount to net asset value;
    (e) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed or revoked prior to such time; and
    (f) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract."

By Order of the Board
Schroder Investment Management Limited
Company Secretary

Registered Number: SC82551

18 December 2013

Registered Office:
33 Bothwell Street
Glasgow G2 6NL

Explanatory Notes to the Notice of Meeting

1. Ordinary shareholders are entitled to attend and vote at the Meeting and to appoint one or more proxies, who need not be a shareholder, as their proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the Meeting.

   A proxy form is attached. If you wish to appoint a person other than the Chairman as your proxy, please insert the name of your chosen proxy holder in the space provided at the top of the form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). Additional proxy forms can be obtained by contacting the Company's Registrars, Equiniti Limited, on 0800 032 0641 (or +44 121 415 0207 for oversees shareholders), or you may photocopy the attached proxy form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. Completion and return of a form of proxy will not preclude a member from attending the Annual General Meeting and voting in person.

   On a vote by show of hands, every Ordinary shareholder who is present in person has one vote and every duly appointed proxy who is present has one vote. On a poll vote, every Ordinary shareholder who is present in person or by way of a proxy has one vote for every share of which he/she is a holder.

   The "Vote Withheld" option on the proxy form is provided to enable you to abstain on any particular resolution. However it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

   A proxy form must be signed and dated by the shareholder or his or her attorney duly authorised in writing. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder and for this purpose seniority will be determined by the order in which the names appear on the Register of Members in respect of the joint holding. To be valid, proxy form(s) must be completed and returned to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, in the enclosed envelope together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially, to arrive no later than 48 hours before the time fixed for the Meeting, or an adjourned meeting. Shareholders may also appoint a proxy to vote on the resolutions being put to the meeting electronically at www.sharevote.co.uk. Shareholders who are not registered to vote electronically, will need to enter the Voting ID, Task ID and Shareholder Reference Number set out in their personalised proxy form. Alternatively, shareholders who have already registered with Equiniti's Shareview service can appoint a proxy by logging onto their portfolio at www.shareview.co.uk and clicking on the link to vote. The on-screen instructions give details on how to complete the appointment process. Please note that to be valid, your proxy instructions must be received by Equiniti no later than 48 hours before the time fixed for the meeting, or an adjourned Meeting. If you have any difficulties with online voting, you should contact the shareholder helpline on 0800 032 0641 (or +44 121 415 0207 for oversees shareholders).

   If an Ordinary shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for receipt of proxies will take precedence.

   Shareholders may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents to communicate with the Company for any purposes other than expressly stated.

   Representatives of shareholders that are corporations will have to produce evidence of their proper appointment when attending the Meeting. Please contact the Registrar if you need any further guidance on this.

2. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

   The statement of the rights of Ordinary shareholders in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by Ordinary shareholders of the Company.

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered in the Register of members of the Company at 6.00 p.m on 29 January 2014, or 6.00 p.m. two days prior to the date of an adjourned Meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the Register of Members after 6.00 p.m. on 29 January 2014 shall be disregarded in determining the right of any person to attend and vote at the Meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. The CREST manual can be viewed at www.euroclear.com. A CREST message appointing a proxy (a "CREST proxy instruction") regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction previously given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments.

5. Copies of the terms of appointment of the non-executive Directors and a statement of all transactions of each Director and of his family interests in the shares of the Company, will be available for inspection by any member of the Company at the registered office of the Company during normal business hours on any weekday (English public holidays excepted) and at the Annual General Meeting by any attendee, for at least 15 minutes prior to, and during, the Annual General Meeting. None of the Directors has a contract of service with the Company.

6. The biographies of the Directors offering themselves for election and re-election are set out on the inside front cover of the Company's Annual Report and Accounts for the year ended 30 September 2013.

7. As at 18 December 2013, 36,143,690 Ordinary shares of 25 pence each were in issue. No shares were held in Treasury; accordingly, the total number of voting rights in the Company as at 18 December 2013 is 36,143,690.

8. A copy of this Notice of Meeting, which includes details of shareholder voting rights, together with any other information as required under Section 311A of the Companies Act 2006, is available to download from the Company's website, www.schroderukmidcapfund.com.

9. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered or if to do so would involve the disclosure of confidential information.

Company Summary and Shareholder Information

The Company

Schroder UK Mid Cap Fund plc was launched in 1983 under the name of Murray Technology Investments plc. It is an independent investment trust, whose shares are listed on the London Stock Exchange.

As at 18 December 2013, the Company had 36,143,690 Ordinary shares of 25 pence each in issue. No shares were held in Treasury and each share carries one voting right. The Company's assets are managed and it is administered by Schroders, which took over investment management of the Company on 1 May 2003.

It is not intended that the Company should have a limited life and the Articles of Association do not contain any provision for the review of the future of the Company at specified intervals.

Website and Price Information

The Company has a dedicated website, which may be found at www.schroderukmidcapfund.com. The website has been designed to be utilised as the Company's primary method of electronic communication with shareholders. It contains details of the Company's share price (subject to a delay of 15 minutes) and copies of the Report and Accounts and other documents published by the Company as well as information on the Directors, Terms of Reference of the Board's Committees and other governance arrangements. In addition, the site contains links to announcements made by the Company to the market, Equiniti's shareview service and Schroders' website. There is also a section entitled "How to Invest" which provides details of the Schroder ISA.

The Company releases its net asset value on both a cum and ex-income basis to the market on a daily basis.

Share price information may also be found in the Financial Times and on Schroders' website at www.schroders.co.uk/its.

Registrar Services

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The helpline telephone number of Equiniti Registrars is 0800 032 0641. Calls to this number are free of charge from UK landlines.

Equiniti maintain a web-based enquiry service for shareholders. Currently the "Shareview" site (address below) contains information available on public registers. Shareholders will be invited to enter their name, shareholder reference (account number) and post code and will be able to view information on their own holding. Please visit www.shareview.co.uk for more details.

Association of Investment Companies

The Company is a member of the Association of Investment Companies. Further information on this association can be found on its website, www.theaic.co.uk.

www.schroderukmidcapfund.com